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Central Eurasia

Economic Review

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Economic Review

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Russia National Affairs

I. Basic Socioeconomic Indicators

***Russia: Statistical Committee on Socioeconomic Situation in 1995**

964E0481A Moscow DELOVOY MIR in Russian 17 Jan 96 pp 3-5

[Report of RF State Statistics Committee: "The Socioeconomic Situation in Russia"; published in abridged form]

[FBIS Translated Text] The RF Goskomstat presents current information on the socioeconomic situation in the country in 1995.

	1995		1994	Reference				
	actual	in % of 1994	in % of 1993	in % of corresponding period of 1994				
				1st quarter	2d quarter	3d quarter	4th quarter	including December (1)
Gross domestic product, trillion rubles	1,659	96	87	94	97	96	96	101/94
Volume of industrial output, trillion rubles	989	97	79	96	97	100.7	95	101/92
Capital investments from all financing sources, trillion rubles	250	87	76	76	87	90	90	118/85
Putting apartment houses into operation, million sq. m total area	42.8	109	94	110	116	107	108	factor of 108/108
Agricultural output, trillion rubles	276	92	88	89	89	94	92	77/91
Volume of railroad freight transport, million tonnes	1,025	97	78	95	96	102	96	97/93
Commodity export, billion U.S. dollars	77.8	118	111	137	120	108	111	105/111
Commodity import (2), billion U.S. dollars	57.9	115	114	109	117	117	115	103/108
Retail commodity turnover (3), trillion rubles	553	93	100.1	90	94	91	95	107/97
Consumer price index			315 (4)	142 (4)	125 (4)	115 (4)	113 (4)	103.2/231
Producer price index for industrial goods			335 (4)	158 (4)	132 (4)	121 (4)	110 (4)	102/275
Real disposable monetary income		87	113	96	90	82	87	111/87
Nominal credited average monthly wages per worker, thousand rubles	482	219	220	222	231	227	214	115/201

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	1995		1994	Reference				
Real credited wages per worker		74	92	70	71	71	83	112/87
Number of population with monetary incomes under subsistence minimum, million persons	36.6	110	80	120	113	103	104	95/105
In % of total population	25							
Total number of unemployed (5), million persons	5.7	111	131	120	110	107	108	102/110
Including officially registered unemployed	2.0	158	177	184	163	151	144	105/143

1) In the numerator—in percent of November 1995, in the denominator—in percent of December 1994.

2) Allowing for nonorganized "shuttle" import.

3) Data on the volume of sale to the population of consumer goods is given on the basis of expert estimates of the volumes of unrestricted import and sale of commodities on personal property, mixed and food markets.

4) The last month of the period as compared with the last month of the preceding period.

5) In accordance with the methodology of the International Labor Organization (ILO).

II. Production

II.1. Gross Domestic Product

Production of the gross domestic product (GDP). The volume of Russia's GDP for 1995 was 1,659 trillion rubles [R] at current prices. The predominant part of it (70 percent) was produced in the nonstate sector of the economy (in 1994—62 percent).

In 1995, the basic trends of the preceding years were maintained—an increase in the value of the GDP through a rise in prices, with a decrease in the physical volume of production output and in many types of services. At the same time, the decrease in the real volume of the GDP was slowed down considerably in comparison to the preceding years of economic reform. The growth of the overall level of inflation dropped noticeably. As compared with the preceding year, the amount of the real GDP dropped by 4 percent (in 1994—by 13 percent), the deflator-index of the GDP was a factor of 2.8 as against a factor of 4.1 in 1994.

On the whole, the dynamics of the gross domestic product in 1992-1995 look like this:

	1992	1993	1994	1995 (estimate)
GDP at current prices, trillion rubles	19.0	171.5	611.0	1,659
In % of preceding year, in comparable prices	85.5	91.3	87.4	96

Data Characterizing Production of GDP

	trillion rubles	in % of corresponding period of 1994
January	78.2	95
February	82.8	94
March	94.1	93
1st quarter	255.1	94
April	101.0	94
May	120.3	100
June	139.2	99
2d quarter	360.5	97

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	trillion rubles	in % of corresponding period of 1994
1st half-year	615.6	96
July	154.1	97
August	169.0	96
September	172.0	96
3d quarter	495.1	96
January-September	1,110.7	96
October	178.0	97
November	181.0	96
December	189.2	94
4th quarter	548.2	96
2d half-year	1,043.3	96
1995	1,658.9	96

A factor of definite importance in the decrease in production of the gross domestic product in 1995 was the continuing reduction in production volumes in the basic sectors of the economy: construction, agriculture, and industry, as well as the volumes of services (particularly transport, communications, and trade). As compared with the situation in 1994, however, these indicators shape up to be substantially better. The value added in the commodity-producing sectors decreased in 1995 by 5.6 percent (in 1994, this decrease was 20 percent). In sectors producing services, the reduction in the value added, as compared with the preceding year, was 3.7 percent (i.e., was the same as in 1994).

In 1995 the production structure of the GDP, at current prices, retained the trend of an increase in the proportion of services. The change in the structure toward an increase in the proportion of services, just as in the preceding years, was to a considerable extent caused by the outstripping rise in prices for paid services. As compared with 1994, the prices for commodities rose by a factor of 2.9, and for services, by a factor of 4.

The proportion of nonmarket services in the structure of the GDP decreased somewhat, and the proportion of market services rose from 36 percent in 1994 to 39 percent in 1995.

Russia's GDP for 1993, with respect to the **parity of the purchasing power (PPS) of the ruble to the U.S. dollar** was $712 billion, in 1994—$619* (*—preliminary estimate), and in 1995—$601 billion* (*—preliminary estimate) (the PPS of the ruble to the dollar for 1993 was calculated according to the Program of International Comparisons of the UN, the results of which were summed up in 1995).

	1993	1994	1995
GDP total, billion dollars			
for PPS	712	619 *	601 *
for currency exchange rate	184	277	364 *
GDP per capita, dollars			
for PPS	4,797	4,171 *	4,056 *
for currency exchange rate	1,239	1,869	2,458 *
Parity of purchasing power, rubles/dollar	241	988 *	2,759 *
Currency exchange rate, ruble/dollar	932	2,204	4,554

* Preliminary estimate

The gap between the parity of the purchasing power and the currency exchange rate of the ruble in relation to the dollar decreased from a factor of 3.87 in 1993 to a factor of 1.65 in 1995.

According to the results of the international comparisons for 1993, Russia's GDP per capita was higher than in the CIS countries: In Belarus, in particular, this indicator was 88.7 percent of the Russian level, Moldova—49.7 percent, and Ukraine—64.3 percent. It was also like that in a few countries with a transitional economy: Poland—98.3 percent, Romania—77.5 percent, and Croatia—88.7 percent. The GDP per capita in 1993 was higher than in Russia, however, in countries such as Hungary (126.1 percent of the Russian level), Slovakia (117.0 percent), Slovenia (192.5 percent), and the Czech Republic (175.8 percent).

II.2. Industrial Production

In 1995, industry produced products (work, services) worth R989 trillion at existing prices, including R106 trillion worth in December.

The index of the physical volume of industrial production in 1995 was 97 percent of the 1994 level (in 1994—79 percent). In December, the volume of industrial production was 101 percent, as compared with November (in December 1994—103 percent), and compared to the level of the corresponding month of 1994—92 percent (in December 1994—90 percent).

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The Dynamics of the Total Volume of Industrial Production in Percent of December 1993

Dynamics of Industrial Production in 1995 for Industry as a Whole and by Sectors

In percent

	Industry		Including					
			means of production		intermediate goods		consumer goods	
	compared to preceding month	compared to corresponding period of 1994	compared to preceding month	compared to corresponding period of 1994	compared to preceding month	compared to corresponding period of 1994	compared to preceding month	compared to corresponding period of 1994
January	90.6	99.3	73.7	100.7	95.8	97.2	83.5	103.0
February	99.5	96.0	112.6	104.6	93.7	98.8	114.6	82.5
March	106.2	94.7	109.5	96.5	104.6	99.1	108.7	80.5
1st quarter		95.5		96.8		98.0		86.5
April	91.7	93.6	89.4	88.1	91.6	97.8	91.6	84.2
May	101.0	101.0	93.3	98.1	104.6	103.6	95.6	94.6
June	102.3	100.1	113.5	96.8	100.5	104.1	101.6	89.5
2d quarter		97.4		93.5		101.0		88.4
1st half-year		96.6		95.2		100.0	86.9	
July	98.6	102.3	95.4	98.0	102.5	105.8	94.6	92.7
August	103.5	100.1	103.5	90.3	102.7	105.4	109.6	88.3
September	99.1	100.0	92.5	93.1	95.1	104.4	115.5	90.5
3d quarter		100.7		93.9		105.0		91.4

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In percent								
January-September		97.4		93.8		100.9		88.4
October	103.6	97.8	104.3	86.0	102.7	103.1	106.6	88.9
November	96.2	94.5	90.4	89.7	100.5	101.1	83.6	81.8
December	101.1	92.4	105.3	78.1	102.9	96.1	88.5	87.4
4th quarter		95.1		90.6		99.6		83.2
2d half-year		96.8		84.2		101.5		89.3
1995		96.7		90.2		100.7		87.9

In the past year a steady rise was observed in the production output in ferrous and nonferrous metallurgy, the chemical, petrochemical, pulp-and-paper, and certain other sectors of industry, which can be seen from the following data:

	1995 in % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
		November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Large and medium-sized enterprises	95	100.5	90	95	97	100.3	94
of them:							
extracting	98	100.7	98	98	97	102	100.2
processing	95	100.4	87	94	97	99.8	91
of total results by sectors:							
electric power	97	115	97	93	98	101	97
fuel	98	103	96	97	99	100.2	96
ferrous metallurgy	109	105	106	110	114	108	105
nonferrous metallurgy	102	88	95	101	100.5	105	104
chemical, petrochemical	108	99.8	90	108	111	118	97
machine-building	90	100	77	99	93	94	82
timber, woodworking, pulp-and-paper	93	116	82	89	93	105	92
building materials production	92	85	78	89	93	98	87
light	69	89	60	60	65	89	74
food	91	85	100.1	85	96	93	87

The fuel-energy sector. The following data characterize the dynamics of industrial production in the sectors of the fuel-energy complex and the basic types of energy resources:

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	1995 *	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Electric power engineering		97	115	97	93	98	101	97
electric power, billion kwh	862	98	112	97	95	99.2	102	98
thermal power (released), billion Gcal	1.3	92	124	95	89	93	96	94
Oil-extracting		96	103	97	97	97	96	95
oil, incl. gas condensate, million tonnes	307	97	103	97	98	97	96	96
Oil-refining		101	100.6	91	93	105	109	96
primary refining of oil, million tonnes	183	98	98	92	92	103	107	93
Coal		100.1	102	101	98	97	105	100.7
coal, million tonnes	262	97	101	97	93	92	105	99.7
incl. for coking	60.4	107	104	98	112	106	110	99.8
Gas		99	105	99	98	98	98	100.9
gas, natural, billion cubic m	595	98	106	99	99.1	96	98	99.5

* The data are presented on the basis of estimates of the volumes of production (extraction) of joint ventures and small enterprises, industrial enterprises attached to nonindustrial organizations, and also geological prospecting enterprises carrying out oil extraction.

Production of the primary energy resources (extraction of natural fuel, generation of electric power and hydro- and nuclear electric power plants), in terms of the standard equivalent in 1995, decreased by 2 percent as compared with the preceding year (in 1994 as compared with 1993—by 6 percent).

In electric power engineering, in the past year the generation of electric power at nuclear power stations increased by 1.5 percent, at hydroelectric power stations remained at the 1994 level, and at thermal electric power stations decreased by 3 percent.

In the oil-extracting industry, as compared with 1994, extraction of oil and gas condensate increased in 15 out of 27 oil-extracting regions of Russia, including by a factor of 1.3 in Arkhangelsk and Volgograd Oblasts, by 6 percent in the Republic of Tatarstan, and by 3 percent in Perm Oblast. In Tyumen Oblast, which accounts for 66 percent of the all-Russian volume of oil-extraction, it dropped by 5 percent.

In the oil-refining industry in 1995, the production of the basic types of white oil products and lubricants increased, while the output of fuel for electric power engineering enterprises and for household needs decreased.

In the gas industry, the extraction of natural gas decreased by 2 percent. At the same time, an increase was observed in seven out of 17 gas-extracting regions of Russia, including by 21 percent in Astrakhan Oblast, by 11 percent in Sakhalin Oblast, and by 2 percent in the Republic of Sakha (Yakutia). In Tyumen Oblast, which accounts for 92 percent of the all-Russian volume of gas extraction, it dropped by 2 percent, and in Orenburg Oblast—by 5 percent.

In the coal industry, with an overall 3 percent cutback in coal extraction in 1995 as compared with the preceding year, the extraction volume in the Far East rose by 4 percent, in the Republic of Khakassia—by 14 percent, and in Chita Oblast—by 2 percent. Coal extraction remained at virtually the 1994 level in the Kuznetsk basin. The extraction volume dropped by 30 percent in the Podmoskovnyy basin, in the Urals deposits—by 19 percent, in the Kansk-Achinsk basin—by 13 percent, in the Donetsk basin—by 8 percent, and in the Pechora basin—by 2 percent.

The dynamics of production in the subsectors of **ferrous metallurgy**, and the output (extraction) of the basic types of products are given below:

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	1995, million tonnes	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Extraction and enrichment of ore raw material for ferrous metallurgy		106	103	108	106	99	114	106
iron ore	78.3	107	106	106	110	99.7	115	104
Production of ferrous metals		109	106	106	112	115	105	105
pig iron	39.2	109	101	109	115	110	102	108
steel	51.3	105	100.4	104	111	107	99.6	104
finished rolled ferrous metals	39.1	109	107	106	112	114	105	104
Pipe production		104	98	103	90	114	101	112
steel pipes	3.7	104	98	105	90	114	100.4	113
by-product coke industry		109	102	104	108	113	108	106
coke	27.6	109	102	104	108	113	108	106

In **steel-smelting production,** the increase in the output of goods using advanced technology continued. In 1995, as compared with 1994, the output of oxygen-converter steel increased by 15 percent, of electric steel—by 5 percent, and of casting-suitable blanks, obtained from continuous blank-casting machines—by 23 percent.

In **rolled metal production,** the production of cast rolled metal increased by 22 percent, including of cold-rolled sheet—by 29 percent, of sheet and thin-steel sheet with coatings—by 31 percent, of curved steel shapes—by 26 percent, and of merchant shapes—by 1 percent. The output was below the level of the preceding year for merchant cold-drawn steel and rolls made of stainless steel (by 20-21 percent), of rolls made of low-alloy steel (by 28 percent), and with thermal hardening treatment—by 2 percent.

In **tubular production,** as compared with the preceding year, the output of seamless pipes increased by 4 percent and of electric-welded pipes—by 17 percent. The production of high-strength pipes of the oil assortment decreased by 50 percent.

The following data characterize the dynamics of the total production volume in the subsectors of **nonferrous metallurgy** and the output of the most important types of products:

	1995 in % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
		November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Aluminum	105	101	108	98	98	114	110
aluminum, primary, incl. sipumin	104	102	106	98	99	111	108
Copper	112	108	115	105	109	116	122
copper, refined	115	109	121	106	114	119	122
nickel, cobalt	119	91	100.5	110	124	123	118
nickel	119	91	102	110	125	122	118
lead-zinc	108	103	81	105	119	115	88

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		December 1995 in % of		Reference: in % of corresponding period of 1994			
lead, incl. secondary	94	103	79	71	116	95	87
zinc	121	108	80	111	138	146	91
Other sectors	89	79	84	97	85	88	92
gold (mining)	88	70	95	90	81	85	101
magnesium, magnesium alloys	116	94	108	116	112	122	114

In the **raw materials sectors,** as compared with 1994, the extraction of bauxite increased by 3 percent, the production of alumina—by 15 percent, and of copper in concentrate—by 6 percent; the extraction of tin, lead, and zinc in concentrate decreased by 8-12 percent.

In **rolled metal production,** the output of rolled bronze, copper and brass decreased by 16-20 percent, and of rolled titanium—by 30 percent, and the production of rolled aluminum remained at the level of the preceding year.

Some 111 tonnes of **gold** were mined, which is 12 percent less than in 1994.

The dynamics of industrial production in the subsectors of **machine-building** and the output of individual types of products are given below:

	1995	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Heavy, power, transport machine-building		82	70	63	80	91	96	68
diesels and diesel generators, units	4,120	99.6	128	83	95	110	105	91
cranes, electric bridge (incl. special), units	355	84	112	80	79	76	108	73
freight cars, units	5,410	69	126	29	107	111	70	50
Electrical engineering industry		93	93	80	81	88	110	94
electric machinery, large, units	4,573	94	80	66	70	122	118	80
electric motors, AC, high axis of rotation, 63-355 mm, thousand units	447	110	71	75	97	126	145	86
electric motors, low power, thousand units	2,989	69	140	51	69	69	93	51
Machine-tool-making, tool-making industry		87	82	59	85	95	98	74
metal-cutting machine tools, thousand units	16.1	88	74	56	84	103	101	75
wood-processing machine tools, thousand units	10.0	90	69	52	102	155	88	71
press-forging machines, units	2,083	67	141	59	66	69	91	49
Instrument-building		110	108	85	130	105	111	94

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			December 1995 in % of		Reference: in % of corresponding period of 1994			
cash-control equipment, thousand units	331	164	115	89	280	146	152	114
three-phase electric counters, thousand units	183	66	108	102	41	57	73	103
clocks, household, million units	17.6	69	99.0	73	60	78	74	66
Motor vehicle industry		97	100.1	80	112	99	97	84
trucks, thousand units	115	79	130	68	87	84	85	62
passenger vehicles, thousand units	835	105	93	87	123	105	103	92
buses, thousand units	40.8	82	141	60	103	110	73	69
Bearing industry		104	83	75	99.8	102	124	91
bearings, rolling, million units	304	104	83	75	99.8	102	124	91
Tractor, agricultural machine building		64	84	36	104	74	55	42
tractors, thousand units	21.2	74	79	49	117	87	49	57
combines, grain-harvesting, thousand units	6.3	52	128	19	94	68	60	19
Road-building and municipal machine-building		84	115	67	87	99.1	89	67
excavators, units	5,244	81	85	45	81	89	96	60
machines for municipal, community services, units	5,184	70	122	44	112	87	63	43
Machine-building for light and food industries and household appliances		65	87	51	64	68	69	59
spinning machines, units	133	67	150	63	49	76	97	60
ovens, bread-baking, units	1,463	79	254	28	163	106	64	70

In **power machine-building,** as compared with 1994, the production of hydraulic turbines was 59 percent, of steam turbines—79 percent and of steam boilers with a productivity of from 0.4 to 10 tonnes of steam/hour—91 percent. The output of boilers with a productivity of over 10 tonnes of steam per hour increased by 12 percent, and of gas turbines—by 26 percent.

In **railroad machine-building,** the output of diesel locomotives and electric locomotives decreased by 25 percent and 50 percent respectively, as compared with 1994. The production of passenger cars decreased by 31 percent. The production of cars for electric trains rose by 53 percent, of electric mine cars—by 29 percent, and of wide-gauge switch assemblies—by 9 percent.

In the **electrical engineering industry,** the production of low-speed electric motors increased by 31 percent as compared with 1994, of power transformers with a power of 5 kw and above—by 49 percent, of batteries and lead motor vehicle batteries—by 11 percent. The output of alternating current electric motors increased by 10 percent, of large asynchronous electrical machinery, new series—by 41 percent, of illuminating electric lamps—by 13 percent, and of power cosine capacitors with paper-film insulation—by 42 percent.

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In the **machine-tool-building and tool-building industry,** the production of metal-cutting machine tools was 88 percent of the 1994 level, including those with digital program control—54 percent, of press-forge machines—67 percent and of casting machines—64 percent.

In **instrument-making,** in 1995, as compared with 1994, the output of cash-control equipment increased by 64 percent, of single-phase electric counters and microelectronic strain gauge resistor sensors of the Sapfir-22 type—by 17 percent. At the same time, the production of geophysical equipment and equipment for means of motor vehicle transport was half of the 1994 level, of typewriters and automatic machines—59 percent, and of well-logging truck hoists—76 p:rcent of the 1994 level.

In the **motor vehicle industry,** production of vehicles with special bodies, tank trucks, and truck trains decreased last year by 13 percent, of diesel trucks—by 30 percent, of trailers and special heavy trailers—by 33 percent, of tractor trailers—by 21 percent, but the output of passenger vehicles and vehicles with special bodies increased by 5 percent and 3 percent respectively, as compared with the preceding year.

The production cutback for many durable goods continued, because of the poor competitiveness with imported analogs:

	1995, thousand units	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Refrigerators, freezers	1,744	66	91	56	66	64	70	65
Washing machines	1,293	61	65	37	67	65	63	48
Tape recorders	343	48	69	20	44	54	69	34
Videotape recorders	20.2	24	401	19	17	35	25	30
Radio receiving devices	951	88	86	50	80	125	99	59
Television sets	982	45	110	38	44	48	52	36
incl. color	348	31	112	34	29	32	32	33
Household sewing machines	69.6	17	78	6	20	28	10	9
Motorcycles	61.2	34	103	17	32	23	75	38
Bicycles (not counting children's)	564	65	86	46	51	94	67	45

In 1995, as compared with the past year, the output of electric juice-extractors, electric coffee grinders, knitting machines, baby carriages, and pressed aluminum dishes decreased by 50 percent and more.

The following data characterize the dynamics of production in some subsectors and the output of the basic types of products in the **chemical and petrochemical industry**:

	1995, thousand units	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Basic chemistry	111	102	96	119	89	118	101	

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			December 1995 in % of		Reference: in % of corresponding period of 1994			
sulfuric acid, million tonnes	6.9	110	104	84	113	123	115	91
soda ash, million tonnes	1.8	115	108	85	136	121	122	90
caustic soda, million tonnes	1.2	102	92	85	99.4	107	107	94
mineral fertilizers, million tonnes	8.8	117	104	104	125	110	122	112
Chemical filament and fiber industry	109	103	87	105	130	118	88	
chemical filaments, fibers, thousand tonnes	216	109	103	87	105	130	118	88
Synthetic resins and plastics industry	106	101	79	101	127	110	89	
synthetic resins, plastics, million tonnes	1.8	106	101	79	101	127	110	89
incl. polyethylene	673	132	96	81	122	165	132	117
Synthetic rubber production	131	105	102	102	145	175	125	
synthetic rubber, thousand tonnes	828	131	105	102	102	145	175	125
Tire industry	95	99	101	84	89	103	104	
motor vehicle tires, million units	18.8	95	95	95	84	90	108	102

The production volumes in sectors, the products of which are oriented mainly toward the foreign market, follows the trend of increasing.

A production increase was noted in the **basic chemistry industry,** output of the products of which increased by 11 percent in 1995 as compared with last year. The production of synthetic ammonia used in the production of mineral fertilizers increased by 9 percent.

The steady demand for mineral fertilizers on the foreign market stimulated the growth of production of nitrogen fertilizers by 19 percent, of phosphate and potassium fertilizers—by 14 percent.

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In the **synthetic resins and plastics industry,** of the advanced types of polymers, the output of polyethylene increased by 32 percent, and of polypropylene—by 62 percent. At the same time, the production of polystyrene and polyvinyl chloride resins decreased respectively by 7 percent and 15 percent, as the result of limited demand on the domestic market.

In the **plastic items industry,** in the past year, as compared with 1994, the production of sheets made of thermal plastics, items made of plastic, polyvinyl chloride plastics, fiber-glass plastics, and items made from them decreased by 9-22 percent. The output of pipes and parts of pipelines made of thermal plastics increased by 18 percent.

In the **paint and varnish industry,** the production of paint and varnish materials dropped by 13 percent, as compared with the preceding year.

In the **synthetic dyes industry,** the production of analogous products was 65 percent of the 1994 level last year.

Enterprises of the **tire** sector cut back the output volumes of truck tires by 5 percent, for agricultural machines—by 31 percent and for motorcycles—by 46 percent. At the same time, the production of tires for passenger vehicles in 1995 rose by 3 percent as the result of the increased demand for them.

In the **rubber-asbestos industry,** in 1995, with an overall 11 percent increase in the output of basic types of products as compared with 1994, the production of rubber-fabric belts increased by 7 percent, of hoses—by 13 percent, and of shaped mechanical rubber goods—by 54 percent.

In the **chemical-pharmaceutical industry,** in 1995, as compared with 1994, there was a drop in the production of preparations included in the group of vitally necessary ones: nitroglycerine—by 22 percent, analgene in tablets—by 10 percent, zufilline—by 13 percent. At the same time, the production of papaverine and chlopheline rose by 4 percent, and of validol—by 81 percent.

In the **timber, woodworking and pulp-and-paper industry,** the following data characterize the dynamics of production in the subsectors and the output of the most important types of products:

	1995, thousand units	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Timber industry	97	162	93	88	93	120	103	
removal of wood, million dense cubic meters	93.2	97	163	93	88	93	120	103
Woodworking industry	77	103	67	76	75	82	73	
lumber, million cubic meters	16.8	87	106	79	85	87	89	86
plywood, thousand cubic meters	864	105	124	106	109	101	106	103
wood-chip board, million. std. cubic meters	2.2	84	91	72	84	91	84	78

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			December 1995 in % of		Reference: in % of corresponding period of 1994			
wooden beams for switch assemblies of wide-gauge railroads, thousand sets	5.4	104	120	84	135	89	111	85
Pulp-and-paper industry	123	96	100.4	118	127	131	115	
commercial cellulose, million tonnes	1.7	133	88	86	145	146	140	109
paper, million tonnes	2.8	125	103	125	108	123	134	137
cardboard, million tonnes	1.3	109	88	73	119	119	116	84

In the **timber industry,** production of commercial timber rose by 1 percent over 1994.

In the **woodworking industry,** there was an increase in the output of plywood (by 5 percent), cement-chip sheets (by 4 percent) and matches (by 11 percent). There was a 13-27 percent decrease in the production of window and door blocks, parquetry, wooden ties for wide-gauge railroads, and mining flitches, and a 50 percent decrease in plant-manufactured wooden houses.

In the **furniture industry,** in the past year the output of the most important types of products was 33 percent below the 1994 level. The output of household furniture—tables, chairs, wooden beds—decreased by 20-27 percent, and of cupboards, armchairs, and sofa-beds—by 34-42 percent.

The **pulp-and-paper industry** is working stably, due to the increased demand for its products from foreign consumers. In 1995, as compared with 1994, the production of newsprint paper rose by 40 percent and of writing and notebook paper and container cardboard—by 25 percent and 17 percent. At the same time, the output of printing paper decreased by 44 percent.

The thoroughness of processing the wood when producing the products of the sector increased considerably: the output of commercial cellulose from each cubic meter of wood removed increased by 37 percent as compared with last year's level, of paper—by 29 percent, and of cardboard—by 12 percent. The involvement of soft broadleaf wood in the processing was expanded, and its proportion in the total production of timber for pulp-and-paper production rose from 25.6 percent to 26.3 percent during this period.

The dynamics of production in individual subsectors of the **building materials industry** and the output of the basic types of building materials are given below:

	1995	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Cement industry		98	73	77	96	103	102	89

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			December 1995 in % of		Reference: in % of corresponding period of 1994			
cement, million tonnes	36.4	98	73	77	96	103	102	89
incl. that obtained by the "dry" method	4.0	92	75	65	81	102	98	85
Precast reinforced concrete structures and items industry		89	85	75	86	90	96	84
precast concrete structures and items, million cubic meters	21.1	89	85	75	86	90	96	84
Wall materials industry		93	91	80	89	95		90
building brick, billion units of std. brick	12.6	95	92	83	90	98	100.3	92
Construction ceramics industry		98	103	93	88	100.1	114	94
ceramic facing tiles, million sq. meters	18.8	95	107	88	87	99.6	112	84
Building materials and items made from polymer raw material industry		83	97	91	76	75	87	95
linoleum, million sq. meters	52.8	83	97	91	76	75	87	95
Nonmetallic building materials industry		92	84	84	86	93	103	85
nonmetallic building materials, million cubic meters	119	92	84	84	86	93	103	85

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			December 1995 in % of		Reference: in % of corresponding period of 1994			
Glass industry		101	93	89	99	105	110	96
window glass, million sq. meters	58.8	100.4	92	88	85	108	119	98

The increase in the volumes of housing construction contributed to an increase in 1995, as compared with the past year's level, in the production of asbestos board—by 18 percent, of bathtubs—by 5 percent, and of ceramic items for the bathroom—by 5 percent.

The production of materials for general building use, particularly, panels for large-panel housebuilding, wall materials, soft roofing and insulation, ceramic tiles, facades of various colors, porous fillers, heating radiators and convectors in 1995 constituted 80-96 percent of the 1994 level, and of construction glass, asbestos, asbestos cement pipes and couplings, and ceramic floor tiles—100.5-117 percent. The output of mineral wool decreased by 6 percent.

The cutback in the volumes of capital investments in the construction of facilities for production-technical purposes entailed an 11 percent drop in the production of precast reinforced concrete structures, a 16 percent drop in structures made of aluminum alloys, and a 47 percent drop in lightweight metal structures.

The following data characterize the dynamics of production in the subsectors of the **light industry** and the output of basic types of products:

	1995	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Textile industry		75	92	65	63	70	100.8	81
all types of fabrics, million sq. meters	1,757	81	96	76	66	70	110	93
incl.								
cotton	1,235	81	94	79	61	65	121	100.7
linen and hemp-jute	131	81	98	72	75	87	76	86
woolen	72.0	79	90	73	72	85	88	78
silk	197	80	97	66	84	79	87	73
hosiery items, million pairs*	285	81	74	67	67	84	94	85
knitted items, million units*	105	55	100.4	52	51	47	71	57

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			December 1995 in % of		Reference: in % of corresponding period of 1994			
carpet and carpet items, million sq. meters	10.5	49	110	42	46	40	66	50
Garment industry		59	86	49	50	55	71	63
overcoats and short coats, million units*	2.7	63	71	35	53	64	96	54
suits, million units*	4.9	73	94	66	65	69	88	72
dresses, million units*	10.0	45	101	44	46	39	46	54
jackets, million units*	7.1	69	82	58	53	58	86	79
Leather, fur and footwear industry		70	87	61	67	65	83	68
chrome-tanned commodities, million sq. dm*	836	72	90	70	61	54	104	82
women's coats and short coats, made of natural fur, thousand units*	62.4	58	99	45	63	68	64	44
footwear, million pairs	52.5	69	84	60	70	65	78	64

* The data on production of the types of products listed are presented on the basis of an estimate of the production volumes of small enterprises and joint ventures, as well as of industrial subdivisions attached to nonindustrial organizations.

In the **textile industry,** the output of tulle-curtain items and knit underwear and outerwear decreased by 33-49 percent during the year.

In the **garment industry,** in 1995, as compared with 1994, the production of bed linen decreased by almost two-thirds, of shirts—by one-half; of raincoats, skirts, and trousers—by one-third.

In the **leather, fur, and footwear industry,** in the past year the production of Russian leather and stiff leather goods, headgear and children's coats made of natural fur, synthetic soft leathers, and filmy materials decreased by 16-31 percent as compared with the 1994 level; individual types of leather haberdashery items (purses, briefcases, suitcases) decreased by 47-66 percent.

In the **food industry,** the cutback in production of goods continues. The depth of the production slump for certain types of products lessened somewhat, however, as compared with the beginning of the year.

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Data Characterizing the Production Dynamics in the Subsectors of the Food Industry and the Output of the Basic Types of Products:

	1995 *, thousand tonnes	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Food and gustatory industry		94	79	115	82	102	96	90
vegetable oil	773	85	85	94	80	49	79	110
sugar, granulated	3,146	115	50	282	27	144	118	130
bread, bread products, million tonnes	10.9	88	98	84	86	88	90	86
vodka, liqueur, and alcohol products, million decaliters	122	98	96	60	154	112	81	72
Meat and dairy industry		78	96	83	74	80	78	82
meat, incl. offals, grade I	2,330	71	86	73	68	73	71	73
sausage items	1,267	82	104	89	79	84	79	85
whole milk products converted to milk	5,437	76	102	85	75	76	72	79
animal oil	419	86	90	89	69	84	89	102
cheese, fatty Bryanza cheese	217	76	90	69	71	78	79	71
Fish industry		108	99	85	117	108	113	87
refrigerated fish	179	118	48	52	93	129	175	111
smoked fish	47.5	74	90	56	80	78	66	68
frozen fish	1,362	100.8	[illegible]9	89	98	106	92	111
culinary items	3.4	81	121	81	70	71	96	96
filleted items	1.8	102	168	109	90	71	215	101
caviar	43.8	144	311	143	158	130	166	46

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			December 1995 in % of		Reference: in % of corresponding period of 1994			
Milling-hulling industry		88	102	73	98	88	90	76
flour, million tonnes	14.0	88	98	74	95	88	91	80
groats, million tonnes	1.4	90	115	70	119	90	79	74

* Data on the industrial production of the types of products listed are presented on the basis of an estimate of the production volumes of small enterprises and joint ventures, as well as industrial subdivisions attached to nonfood organizations.

In the **food industry,** the output of margarine products, dry starch, and food concentrates decreased by 22-29 percent. The production of mineral waters and extraction of salt increased by 34 and 44 percent respectively.

In the fruit and vegetable industry, the output of products decreased by 20 percent as against 1994. The production of canned vegetables, tomatoes and fruits, fruit juices, and potato products decreased by 13-29 percent.

In 1995 the enterprises of the sugar industry produced 2.1 million tonnes of granulated beet sugar, which is 25 percent more than in 1994. The production of goods made of imported raw material remained at virtually the 1994 level, and constituted 1.1 million tonnes.

In the alcohol industry, the production of crude alcohol made from edible raw material increased by 8 percent.

In the winemaking industry, the output of fruit wines increased by 3 percent as compared with 1994: the output of cognac and champagne decreased by 3 and 4 percent respectively, and of grape wines—by 31 percent.

The production of brewery industry goods dropped by 9 percent as against the 1994 level.

In the perfume-cosmetics industry, the output of toilet soap last year increased by 8 percent, and toothpaste production decreased by 27 percent.

In the animal-oil industry, the output of household soap decreased by 15 percent.

In the **meat and dairy industry,** in 1995 the production of ready-to-cook meat, canned milk, and nonfat milk products decreased by 10-26 percent, and of canned meat—by 5 percent.

In the enterprises of the **fish industry,** in 1995, as compared with 1994, the output of frozen filets increased (by 28 percent). The production of dried and dry-cured fish decreased by 16 percent, of pickled herring—by 37 percent, and of fish of special cuts, in marinade and spicy salt—by more than half.

In 1995, among the **children's food products,** the output of dry milk mixtures and canned meats increased. The production of dry products using a cereal base and of children's and dietetic canned fruits and vegetables decreased by over one-third.

In the **combined feed industry,** the production of combined feeds decreased by 24 percent, and of protein-vitamin supplements—by 17 percent.

II.3. Capital Construction

In 1995, according to estimates, R250 trillion worth of **capital investments** were assimilated in the sectors of the RF economy. Some R140 trillion, or 56 percent of the total volume of capital investments, was directed to the construction, expansion, renovation, and re-equipping of production facilities. The investment rates are given below:

	1995 in % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
		November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Capital investments	87	118	85	76	87	90	90

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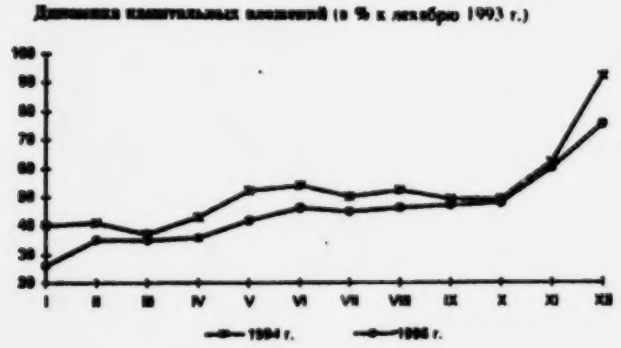
		December 1995 in % of		Reference: in % of corresponding period of 1994			
	incl. for facilities						
for production purposes	83	112	80	71	81	84	85
for nonproduction purposes	93	122	91	83	92	95	95

Dynamics of Capital Investments (in Percent of December 1993)



Enterprises and organizations of the nonstate sector account for 67 percent of the total volume of capital investments (in 1994—68 percent).

The main sources of capital investment financing are the enterprises' and organizations' own funds (63 percent). The funds of the federal budget and the budgets of Federation components constituted 11 percent each, of private builders—3 percent, and of centralized nonbudgetary investment funds, joint ventures and foreign firms, and other sources—12 percent.

Some R110 trillion, over 50 percent of it directed toward housing construction, were assimilated in the construction of objects of the **social sphere.**

In 1995, according to estimates, 658,000 apartments with a total area of 42.8 million square meters were constructed, which is 9 percent more than the 1994 level. The people, on their own account and by means of credit, built almost half more of their own apartment houses than in the preceding year, and their share in the total volume of housing constructed is one-quarter.

Construction organizations of all forms of ownership performed R142 trillion worth of **contracting work,** which is 9 percent less than in 1994.

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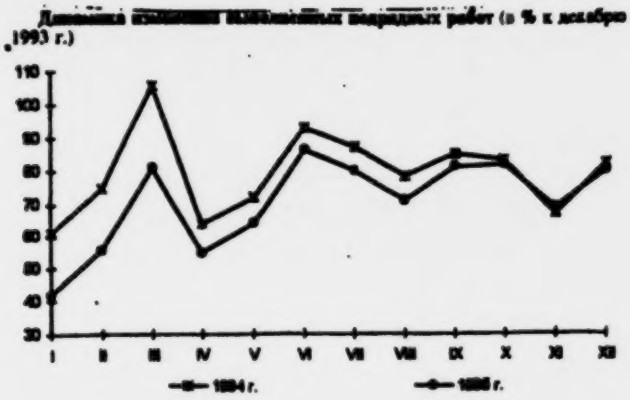
Dynamics of the Change in Contracting Work Performed (in Percent of December 1993)



Over 80 percent of the total volume of contracting work was performed by organizations of the nonstate sector.

II.4. Agriculture

The gross agricultural output in 1995, according to estimates, was R276 trillion at existing prices, and in comparison with 1994 (in comparable prices), decreased by 8 percent (in 1994 the decrease was 12 percent).

Plant-growing. The gross harvest of grain in 1995, according to revised data, was 63.5 million tonnes in weight after finishing work, or 78 percent of the 1994 level.

The gross harvest of the basic commercial crops and potatoes and vegetables increased last year. The production of sunflowers increased by virtue of expanded sowing (by one-third) and an increase in yield (by one-fourth), and of sugar beets (industrial)—by virtue of an essential increase in the yield of this crop (by 40 percent), given a certain reduction in the sowing areas. The planting of potatoes increased by 2 percent and of vegetables—by 8 percent; the yield of these crops increased by 16 and 9 percent respectively.

Data characterizing the gross harvests and yield of the basic agricultural crops:

All categories of farms

	1995	1994	1991-1994 (on the average for the year)	1995 in % of	
				1994	1991-1994 (on the average for the year)
Grain (in weight after finishing), gross harvest, million tonnes	63.5	81.3	94.1	78	67
yield, quintals/ha	11.6	14.4	15.6	81	74
Sugar beets (industrial), gross harvest, million tonnes	19.1	13.9	22.3	137	86

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All categories of farms					
yield, quintals/ha	176	126	167	140	105
Sunflowers, gross harvest, million tonnes	4.2	2.6	2.8	164	148
yield, quintals/ha	10.2	8.1	9.9	126	103
Flax fiber, gross harvest, thousand tonnes	68.6	54.1	73.0	127	94
yield, quintals/ha	3.9	4.0	2.9	98	134
Potatoes, gross harvest, million tonnes	39.7	33.8	36.0	117	110
yield, quintals/ha	117	101	107	116	109
Vegetables, gross harvest, million tonnes	11.2	9.6	10.0	116	112
yield, quintals/ha	140	129	137	109	102

In the make-up of the grain crops, the gross harvests of corn for grain and millet rose in 1995 as compared with 1994.

The production of the basic food crop, wheat, decreased by 6 percent. The gross harvests of hulled products decreased: of buckwheat—by almost one-fourth, of rice—by 12 percent. The production of feed-grain crops (oats, barley, legumes) decreased to the greatest extent—by 36 percent.

In the production structure of grain in 1995, the proportion of wheat and corn for grain increased; the proportion of barley and leguminous crops decreased; the proportion of rye, oats, millet, and rice remained at the 1994 level.

Production Structure of Grain, by Types of Crops on Farms of All Categories (in % of total gross harvest)

	1994	1995
wheat	40	47
corn for grain	1	1
others	1	3
oats	13	13
rye	7	7
millet	1	1
barley	33	26
legumes	3	2
rice	1	1

Agricultural enterprises remain the basic grain-producers (94 percent of the gross production), of sugar beets (96 percent), of sunflowers (86 percent) and of flax fibers (97 percent). The production of potatoes and vegetables continues to be concentrated on the farms of the people. The proportion of potatoes produced by the people increased from 88 percent in 1994 to 90 percent in 1995, and of vegetables, from 67 percent to 73 percent respectively.

In 1995, farmers harvested 3.0 million tonnes of grain (5 percent of the total harvest at farms of all categories), 0.5 million tonnes (12 percent) of sunflowers, 0.7 million tonnes (4 percent) of sugar beets, 0.4 million tonnes (0.9 percent) of potatoes and 0.1 million tonnes (1.3 percent) of vegetables. The share of the farmers in the production of these crops remained virtually at last year's level, with the exception of sunflowers,

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the proportion of which increased somewhat (from 10 percent to 12 percent).

Livestock breeding. The number of cattle of all categories of farms is characterized by the following data:

	On 1 January 1996, million head	in % of 1 January 1995	Proportion in total number of livestock on 1 Jan 1996, %	Reference: 1 Jan 1995 in % of 1 Jan 1994
Cattle	39.2	90	100	89
agricultural enterprises	27.3	88	70	86
people's farms	11.3	97	29	96
farm holdings	0.6	102	1	100
incl. cows	17.4	94	100	93
agricultural enterprises	10.4	91	60	89
people's farms	6.7	99.4	38	99
farm holdings	0.3	103	2	101
Pigs	22.6	91	100	87
agricultural enterprises	14.5	87	64	82
people's farms	7.7	99	34	98
farm holdings	0.4	101	2	101
Sheep and goats	28.4	82	100	79
agricultural enterprises	13.3	12	47	77
people's farms	13.8	92	49	89
farm holdings	1.3	111	4	109

The development of the livestock breeding sector is held back by the low level of herd reproduction. In 1995, as compared with 1994, at agricultural enterprises the yield of offspring of piglets, calculated per 100 female animals, decreased from 995 head to 962, of lambs and kids—from 60 to 56 head, of calves—although the number increased somewhat over last year's, remained at a low level (73 head as against 72 in 1994).

Production of the Basic Livestock-Breeding Products on Farms of All Agricultural Producers

	1995, million tonnes	In % of 1994	In % of corresponding period of 1994				Reference
			1st Quarter	2d Quarter	3d Quarter	4th Quarter	1994 in % of 1993
Meat (livestock and poultry for slaughter, in live weight)	9.4	87	84	85	82	88	91

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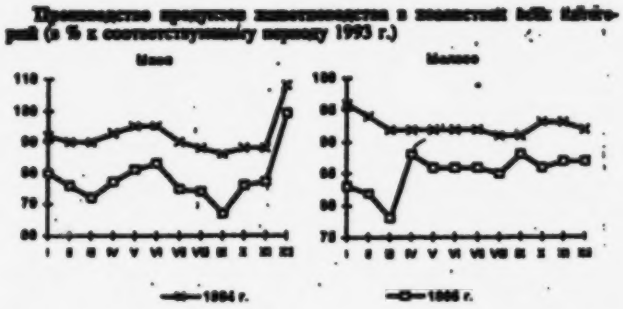
			In % of corresponding period of 1994				Reference
Milk	39.3	93	86	95	95	95	91
Eggs, billion units	33.7	90	90	88	92	91	93

Production of Livestock Breeding Products on Farms of All Categories (in percent of corresponding period of 1993)



Key: 1. Meat; 2. Milk

The people's share in the production of livestock breeding products, which last year constituted 48 percent for meat, 42 percent for milk, and 30 percent for eggs, continues to increase.

By the beginning of January 1996, the provision of feed for livestock at agricultural enterprises, according to estimates, averaged 11.6 quintals per unit each per standard head of livestock, as against 12.9 quintals per unit on the corresponding date of 1995. Less feed grain was laid in than in 1994. The shortage of feed is exacerbated by its poor quality. At present, every second tonne of hay, every third tonne of silage, and 40 percent of the haylage and grass feed which the livestock are being fed is of grade III and unclassified. Feed is often used in unprocessed form.

III. The Wholesale Market

Manufacturing enterprises sold R879 trillion worth of products (commodities) on the wholesale market in January-November 1995, and wholesale trade enterprises sold R135 trillion worth.

As compared with the preceding month, in November 1995 the trade turnover for manufacturing enterprises which occupied a dominating position on the wholesale market decreased by 4 percent at existing prices (in October, as against September 1995—by 9 percent). Commodity turnover of wholesale trade enterprises rose by 6 percent in November 1995.

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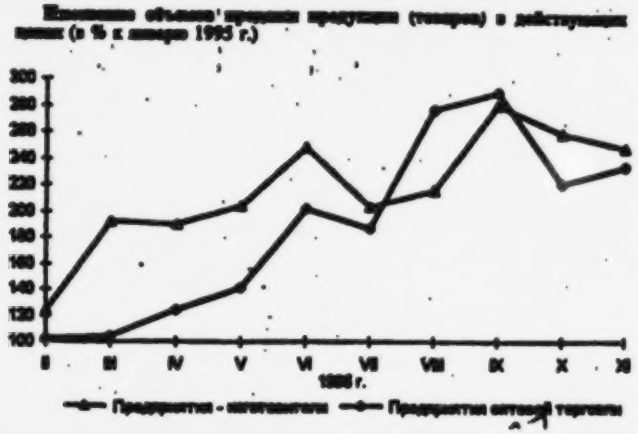
Change in the Sales Volumes of Products (Commodities) at Existing Prices (in percent of January 1995)



Key: 1. Manufacturing enterprises; 2. Wholesale trade enterprises

Products for production-technical purposes account for 77 percent of the total sales volume of manufacturing enterprises, and consumer goods—for 23 percent. These indicators are 68 percent and 32 percent respectively in the turnover of wholesale trade enterprises.

Data Characterizing the Sale of Products (Commodities) on the Domestic and Foreign Market

trillion rubles

	January-November 1995					
	manufacturing enterprises			wholesale trade enterprises		
	total	including		total	including	
		domestic market	foreign market		domestic market	foreign market
Sold	879	703	176	135	133	2.0
incl.						
products for production-technical purposes	681	522	159	91	90	1.0
consumer goods	198	181	17	44	43	1.0

In 1995, **natural fuel** resources (oil, including gas condensate, natural gas and coal, according to preliminary data, constituted 1.4 billion tonnes of standard fuel, or 98 percent of the 1994 volume. Just as a year ago, oil accounted for 35 percent of the make-up of the resources, gas—49 percent, and coal—16 percent.

The structure of the resources of oil, natural gas, and coal and their sales has remained stable for a long time. The main source of forming resources is our own production, which handles 89 percent of the oil, 95 percent of the gas, and 77 percent of the coal.

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Correlation of the Sale of Natural Fuel on the Domestic and Foreign Markets

In % of the total

	Oil, incl. gas condensate		Natural gas		Coal	
	1994	1995	1994	1995	1994	1995
Sold	100	100	100	100	100	100
incl. on						
domestic market	60	60	68	66	92	89
foreign market	40	40	32	34	8	11

In 1995, 183 million tonnes of oil were sent to oil-refineries for refining, which is 2 percent less than in 1994; 339 billion cubic meters of gas (3 percent less) and 211 million tonnes of coal (7 percent less) went to production consumption in the sectors of the economy, for municipal-everyday needs and for the population.

The **sale of oil products** by oil refineries and wholesale enterprises (taking into account products produced from customer-supplied raw material) on the domestic market, according to preliminary data, was:

	1995, million tonnes	In % of 1994	Reference: in % of corresponding period of 1994			
			1st Quarter	2d Quarter	3d Quarter	4th Quarter
Motor vehicle gasoline	27.2	97	99.5	97	99.9	91
incl.						
through direct contacts	13.6	128	134	138	127	117
through wholesale enterprises	13.6	78	78	75	85	73
Diesel fuel	33.6	98	94	98	103	96
incl.						
through direct contacts	21.9	114	119	116	110	112
through wholesale enterprises	11.7	77	61	76	95	72
Residual fuel oil	43.1	95	96	88	97	97
incl.						
through direct contacts	40.5	107	115	99	103	106
through wholesale enterprises	2.6	36	34	29	45	42

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In 1995, the proportion of sales of motor vehicle gasoline by oil refineries through direct contacts was 50 percent, as against 38 percent in 1994, of diesel fuel—65 percent and 56 percent respectively, and of residual fuel oil—94 percent and 84 percent.

Fuel reserves. According to conditions on 1 January 1996, the warehouses of extracting and wholesale enterprises and consumers had the following amounts of coal and residual fuel reserves:

million tonnes

	1 January 1996	Reference	
		1 January 1994	1 January 1995
Total fuel reserves			
coal	45.6	58.7	50.3
residual fuel oil	6.0	7.7	7.4
incl.			
reserves at extracting and wholesale enterprises			
coal	14.6	19.2	17.5
residual fuel oil	0.1	0.2	0.2
million tonnes			
consumers' reserves			
coal	31.0	39.5	32.8
residual fuel oil	5.9	7.5	7.2

Fuel storage points that sell coal to the population and to organizations of the social sphere had available reserves of 1.9 million tonnes on 1 January 1996, or 4 percent less than on 1 January 1995.

At boiler houses under the jurisdiction of municipalities, and at departmental boiler houses, coal reserves by the beginning of January of this year constituted 6.2 million tonnes, which was 2 percent higher than the level on 1 January 1995.

IV. Transport

In the **railroad transport** of the Russian Ministry of Railways, the freight turnover in 1995 rose by 1 percent as compared with last year (in 1994 it dropped by 26 percent). The rates of the drop in the freight volumes slowed down, and were 3 percent as against 22 percent in 1994.

Data Characterizing Freight Volume in Russia as a Whole, and Also by Basic Types of Freight

	1995, million tonnes	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995 *	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Freight	1,025	97	97	93	95	96	102	96
incl.								
hard coal	242	97	101	100.7	96	91	102	101
coke	8.1	105	108	100.6	97	106	115	103
oil and oil products	148	96	98	88	87	99	103	94
iron and manganese ore	84	107	107	102	112	102	112	103
nonferrous ore and sulfur raw material	18.1	120	97	105	117	124	130	111
ferrous metals	53	100.6	105	97	103	102	100	97

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			December 1995 in % of		Reference: in % of corresponding period of 1994			
ferrous metal scrap	12.5	103	89	84	108	105	106	94
chemical and mineral fertilizers	31	112	111	105	120	112	110	106
construction freight	178	94	85	87	86	92	102	96
cement	27	94	75	79	89	101	96	88
timber	45	100	111	86	99.2	98	111	93
grain and milled products	26	80	100.8	59	106	87	70	63
combined feed	3.4	67	106	59	68	72	68	59

* Not counting the difference in number of calendar days

According to conditions on 1 December 1995, enterprises and railroad stations had 44.1 million tonnes of goods to be transported by rail, including 35.0 million tonnes at the trackside loading sites of enterprises and stations, which is 12 percent less than on 1 December 1994. Remnants of timber loads decreased by 43 percent, iron and manganese ore—by 33 percent, oil and oil products—by 32 percent, and hard coal—by 11 percent.

The basic indicators for the use of railroad rolling stock improved.

In 1995, freight-car turnaround took 6.8 days, and had speeded up by 4.6 hours (by 3 percent) over last year, with the idle time for a railcar for a single loading operation reduced by 7 percent, and freight-car productivity increased by 6 percent. Locomotive productivity increased by 3 percent. The average train weight (gross) increased by 34 tonnes and was 3,119 tonnes.

In December 1995, railroad transport **passenger turnover** dropped by 16 percent as compared with 1994 (in 1994 the decrease was 17 percent). In air transport, the passenger turnover of the regular air carrier enterprises decreased by 1 percent (in 1994—by 13 percent).

In 1995, the **maritime transport fleet,** for all types of navigation, transported 62.5 million tonnes of cargo, which is 9 percent less than in 1994 (in 1994 the decrease was 16 percent). The volumes of cargo transported in cabotage sailing decreased by 15 percent, and in foreign sailing—by 8 percent, and of it, transport of export-import goods decreased by 48 percent and of transport of the cargoes of foreign charterers—by 2 percent.

In the regions of the North, in 1995, sea transport carried more than 4 million tonnes of cargo, which is 12 percent less than in 1994, and of them, dry cargo constituted 3.2 million tonnes (9 percent less), and bulk cargo—1.0 million tonnes (21 percent less).

By the beginning of January of this year, the remains of export cargo located at the main commercial sea ports of the Russian Federation and intended for transport by ocean-going ships had decreased by 4 percent as compared with the beginning of December 1995, and constituted 2.5 million tonnes—as compared with 1 January 1995 there were 3 percent more of them.

In 1995, **inland waterway transport** carried 138.6 million tonnes of cargo, which is 11 percent less than last year (in 1994 the decrease was 28 percent), and cargo turnover rose by 1 percent (in 1994 it dropped by 15 percent). The volume of transport in international service increased by 12 percent, and in domestic service—decreased by 14 percent.

In the regions of the North, inland waterway transport carried 20.4 million tonnes of cargo in 1995, which is 4 percent less than in 1994, and of them, 14.7 million tonnes were dry cargo (0.2 percent less) and 2.9 million tonnes—bulk cargo (10 percent less).

V. Foreign Economic Relations

Russia's foreign trade turnover, (estimated), including nonorganized trade, was $135.7 billion (R620 trillion) at current prices in 1995, and increased by 16 percent

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as compared with 1994, including export—$77.8 billion (R355 trillion)—by 18 percent, and import—$57.9 billion (R265 trillion)—by 15 percent.

Data Characterizing Export and Import Volumes at Current Prices

	1995, billion dollars	in % of corresponding period of 1994		In % of preceding month	
		1995	Dec 1995	November	December
Export	77.8	118	111	105	105
incl.					
countries of far abroad	64.3	125	114	105	105
CIS countries	13.5	91	100.6	102	103
Import	57.9	115	108	113	103
incl.					
countries of the far abroad	41.6	112	103	116	106
CIS countries	16.3	121	127	106	97

Proportion of Countries of the Far Abroad and CIS Countries in Foreign Trade (in percent)

	Far abroad		CIS Countries	
	1994	1995	1994	1995
Commodity turnover	75.8	78.0	24.2	22.0
Export	77.8	82.6	22.2	17.3
Import	73.2	71.8	26.8	28.2

A favorable **balance of trade** formed, amounting to $19.9 billion (in 1994—a favorable $15.9 billion).

Export and Import Volumes at Current Prices in 1995

million dollars

	Export			Import		
	Total	incl.		Total	incl.	
		Far abroad	CIS countries		Far abroad	CIS countries
January	5,555	4,495	1,060	3,741	2,800	941
February	6,035	4,907	1,128	4,386	3,459	927
March	6,577	5,444	1,133	4,484	3,389	1,095

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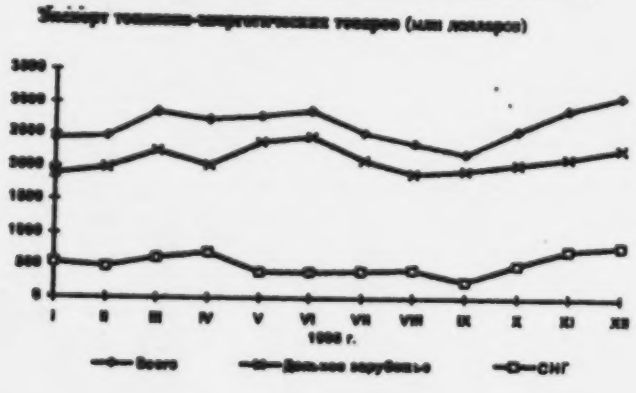
million dollars						
1st quarter	18,167	14,846	3,321	12,611	9,648	2,963
April	6,368	5,356	1,012	4,120	3,042	1,078
May	6,725	5,686	1,039	4,890	3,672	1,218
June	6,940	5,872	1,068	5,056	3,780	1,276
2d quarter	20,033	16,914	3,119	14,066	10,494	3,572
1st half-year	38,200	31,760	6,440	26,677	20,142	6,535
July	5,998	4,949	1,049	4,493	3,171	1,322
August	6,287	5,194	1,093	4,956	3,280	1,676
September	6,561	5,437	1,124	4,945	3,162	1,783
3d quarter	18,846	15,580	3,266	14,394	9,613	4,781
January-September	57,046	47,340	9,706	41,071	29,755	11,316
October	6,616	5,390	1,226	5,119	3,490	1,629
November	6,919	5,664	1,255	5,771	4,041	1,730
December	7,247	5,950	1,297	5,960	4,280	1,680
4th quarter	20,782	17,004	3,778	16,850	11,811	5,039
2d half-year	39,628	32,584	7,044	31,244	21,424	9,820
1995	77,828	64,344	13,484	57,921	41,566	16,355

In December 1995, Russian commodity turnover constituted $13.2 billion, including export—$7.2 billion, and import—$6.0 billion, or 110 percent, 111 percent and 108 percent respectively of December 1994.

Fuel-energy resources occupied the main place in the total export volume, and accounted for 41 percent of all Russian export.

Export of Fuel-Energy Commodities (million dollars)



Key: 1. Total; 2. Far abroad; 3. CIS

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In 1995, Russia exported 192 billion cubic meters of natural gas (104 percent of 1994).

Natural Gas Export Volumes in 1995

	Natural gas, million cubic meters		
	Total	incl.	
		Far abroad	CIS countries
January	18,926	10,569	8,357
February	15,990	9,531	6,459
March	19,572	11,477	8,095
1st quarter	54,488	31,577	22,911
April	17,145	9,899	7,516
May	13,516	9,796	3,720
June	12,963	9,508	3,455
2d quarter	43,894	29,203	14,691
1st half-year	98,382	60,780	37,602
July	13,095	9,531	3,566
August	14,907	9,501	5,406
September	12,009	9,362	2,647
3d quarter	40,011	28,394	11,619
January-September	138,393	89,174	49,219
October	14,904	9,710	5,194
November	19,764	11,095	8,669
December	19,132	11,903	7,229
4th quarter	53,800	32,708	21,092
2d half-year	93,811	61,102	32,709
1995	192,193	121,882	70,311

The far abroad. In 1995, Russia's foreign trade turnover (estimated), including nonorganized trade with the countries of the far abroad, was $105.9 billion (R484 trillion) at current prices, and increased by 20 percent as compared with 1994, including export—$64.3 billion (R294 trillion), by 25 percent and import—$41.6 billion (R190 trillion), by 12 percent.

A favorable balance of trade of $22.7 billion was formed (in 1994—a favorable balance of $14.7 billion).

In December 1995, Russian commodity turnover was $10.2 billion, including export—$5.9 billion and import—$4.3 billion, or 109 percent, 114 percent, and 103 percent, respectively, of December 1994.

Export of natural gas constituted 121.9 billion cubic meters (111 percent of 1994).

The CIS countries. In 1995, Russia's foreign trade turnover (estimated), including nonorganized trade with the CIS countries, constituted $29.8 billion (R136 trillion) at current prices, and rose by 5 percent as compared with 1994, including export—$13.5 billion (R61 trillion) and decreased by 9 percent, and import—$16.3 billion (R75 trillion) and rose by 21 percent.

The balance of trade formed with the CIS countries was a negative $2.8 billion (in 1994—a favorable $1.2 billion).

In December 1995, Russian commodity turnover was $3.0 billion, including export—$1.3 billion and import—$1.7 billion, or 114 percent, 100.6 percent, and 127 percent, respectively, of December 1994.

Export of natural gas constituted 70.3 billion cubic meters (94 percent of 1994).

The share of the CIS countries in the total Russian commodity turnover was 22 percent (in 1994—24 percent).

VI. Prices

Data Characterizing the Change in Prices in Individual Sectors of the Economy in 1995

In % of preceding month

	Consumer price index	Producer price index for industrial products	Tariff index for freight transport
January	117.8	121.5	112.3
February	111.0	116.9	122.0
March	108.9	110.7	115.3
1st quarter *	142.4	157.3	158.0
April	108.5	114.8	112.1
May		108.9	112.9
June	106.7	106.1	108.8
2d quarter *	124.9	132.6	137.7
July	105.4	106.7	106.3

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In % of preceding month			
August	104.6	106.8	102.1
September	104.5	105.7	102.9
3d quarter *	115.2	120.5	111.7
October	104.7	104.6	102.9
November	104.5	102.9	100.8
December	103.2	101.8	99.7
4th quarter *	112.9	109.6	103.4
Dec 1995 compared to Dec 1994	231.3	275.0	253.8

* The last month of the quarter as compared with the last month of the preceding quarter

In 1995, it was noted that the monthly rates of change in producer prices for industrial goods gradually approached the dynamics of consumer prices. At the end of the year, the prices of producer enterprises increased to a lesser degree than consumer prices.

In the period since the beginning of 1995, producer enterprise prices rose 275 percent, and on the consumer market—231 percent (in 1994—333 percent and 315 percent, respectively).

Average Monthly Growth Rates of Prices During the Period 1992-1995

Years	Consumer prices	Producer prices for industrial products
1992	131	134
1993	121	121
1994	110	111
1995	107	109

VI.1. Consumer Prices

In 1995, consumer prices rose 231 percent, on the average for Russia, including for food products—223 percent, for nonfood consumer items—216 percent, and for paid services for the population—332 percent.

The main rise in consumer prices took place in the 1st quarter, but after that a trend was noted toward a slowdown in the monthly rise. A characteristic feature of the past year was the fact that the summer reduction in the growth rates of consumer prices managed to last out, even in the autumn-winter period. While in the 1st quarter of 1995 the change in consumer prices, on the average for a month, was 12.5 percent, in the 2d quarter it was 7.7 percent, and by the 3d and 4th quarters, consumer prices and services rose on the average per month by only 4.8 percent and 4.1 percent respectively.

In December, as compared with November 1995, prices for food products rose by 3.4 percent, for nonfood consumer items—by 3.0 percent, and for paid services for the population—by 3.0 percent.

One of the factors holding back the rise in consumer prices in 1995 was the considerable slowdown in the increase in the exchange rate of the dollar to the ruble, because of the establishment of the "currency corridor." In 1995 the exchange rate of the dollar to the ruble rose by a factor of 1.3, while consumer prices increased by a factor of 2.3 in this period.

In the course of the last five months of 1995, the average daily rise in consumer prices did not exceed 0.15 percent.

Average Daily Rise in Prices for Food Products, Nonfood Consumer Items, and Paid Services for the Population in 1995

In percent				
	Average daily rise in consumer prices	Including		
		food products	nonfood consumer items	paid services for the population
January	0.53	0.63	0.37	0.67
February	0.37	0.35	0.32	0.64
March	0.29	0.27	0.28	0.33

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In percent				
April	0.28	0.24	0.29	0.39
May	0.25	0.27	0.18	0.34
June	0.21	0.24	0.15	0.28
July	0.17	0.14	0.17	0.30
August	0.14	0.09	0.20	0.24
September	0.14	0.09	0.20	0.23
October	0.15	0.11	0.16	0.28
November	0.15	0.13	0.15	0.21
December	0.10	0.11	0.10	0.09

Outstripping rates of the rise in the rates for paid services for the population were noted throughout the entire year, with the exception of December.

Food products. The main rise in prices for food products occurred in the first half-year, and moreover, in January, the prices for very important products, such as animal oil, milk and milk products, and eggs rose by 32-43 percent, and for meat and meat products—by 27 percent. In the 2d quarter of last year, however, the rise in consumer prices for food products lagged noticeably behind the rise in prices for nonfood consumer items and paid services for the population. In this case, the rates of price rise for food products, not counting the prices for fruit and vegetable products, were particularly subject to seasonal fluctuations, and in the course of June-December 1995 there was a trend toward a steady decrease. In January-May, the average monthly rise in prices for food products (not counting vegetables) was 10.7 percent, and in June-December—4.7 percent.

In 1995 the most substantial rise occurred in prices for flour, bread and bread products of lower grades, semolina, millet, juice for children (by a factor of 3-3.5), cottage cheese, canned fruits and vegetables, some types of cheese and confectionery items, salt, vermicelli, rice, buckwheat, and oatmeal (by a factor of 2.4-2.8). Herring, canned fish, vegetable oil, eggs, sugar, and tea rose in price by a factor of 1.9-2.1, and animal oil, vegetables, and potatoes—by a factor of 1.5-1.7.

Level of Prices for Individual Food Products on the Consumer Market on the Average for Russia in 1995

	In rubles per kg, liter, dozen					
	January	March	June	September	November	December
Beef, grade I	7,874	8,896	11,217	12,294	12,423	12,547
Animal oil	20,082	20,681	19,218	18,810	19,517	20,075
Vegetable oil	6,349	6,844	7,670	10,145	10,690	10,460
Milk, pasteurized	1,115	2,096	2,212	2,351	2,673	2,812
Hen's eggs	4,111	3,628	3,518	3,735	4,795	5,345
Sugar, granulated	2,632	3,015	3,752	4,684	4,599	4,486
Salt	615	737	899	1,127	1,231	1,266
Wheat bread made of high-grade flour	1,844	2,418	3,152	4,200	4,684	4,811
Wheat bread made of flour grades 1 and 2	1,224	1,514	2,020	2,697	3,092	3,156

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	In rubles per kg, liter, dozen					
Rye bread and rye-wheat bread	859	1,153	1,570	2,157	2,493	2,583
Wheat flour	1,300	1,403	1,759	2,656	3,064	3,115
Vodka	10,626	11,744	15,251	17,618	19,638	20,230
Potatoes	1,411	1,519	2,122	1,605	1,644	1,882
Cabbage, fresh	1,409	1,863	3,923	1,752	1,734	2,094
Onions, common	2,004	2,253	3,570	2,351	2,174	2,340
Beets	1,620	1,958	3,179	2,037	2,046	2,253
Carrots	1,780	2,242	4,285	2,286	2,251	2,493
Apples	4,060	5,200	7,221	4,291	5,403	6,038

Differences in price levels between individual cities of Russia for the same commodities were maintained: for individual types of vegetables, milk, and cottage cheese, by a factor of 7-11, beef, eggs, bread, vodka, salt, and potatoes—a factor of 4-6, poultry, vegetable and animal oil, sugar, and flour—a factor of 2-3.

The cost of the basket of 19 basic food products, on the average for Russia at the end of December, calculated for the month was R231,500, and increased by 4.4 percent over November 1995, and as compared with December 1994—by a factor of 2.3.

While in January 1995 the people of Russia could purchase 2.4 baskets of the 19 basic food products for the amount of their average per capita monetary income, by the end of the year they could buy almost 3.4.

Among the Russian cities surveyed, the gap in the cost of the basket decreased from a factor of 4.8 in December 1994 to a factor of 3.6 in December 1995. At the same time, the gap in the cost of the basket between the cities of Siberia and the Far East was greater than between the cities of the European section, and constituted, respectively, a factor of 2.6 (in December 1994—a factor of 2) and a factor of 2.3 (2.9). The most substantial rise in the cost of the basket during the year was noted in Yakutsk, Barnaul, Orenburg, and Krasnoyarsk—by a factor of 2.7-2.9, and the smallest—in Murmansk, Tyumen, and Yuzhno-Sakhalinsk—a factor of 1.8.

Russian Cities * with the Maximum and Minimum Cost of the Basket of 19 Basic Food Products According to Conditions at the End of December

	Cost of basket of 19 basic food products, thousand rubles, calculated for a month	Change in the cost of the basket in December 1995, in % of	
		November 1995	December 1994
Cities with maximum cost of basket			
Yakutsk	508.7	108	279
Magadan	468.4	100	208
Petropavlovsk-Kamchatkiy	444.9	103	227
Yuzhno-Sakhalinsk	396.7	104	176
Vladivostok	372.6	104	207
Khabarovsk	339.7	104	204
Chita	302.8	103	225
Murmansk	299.7	101	177
Arkhangelsk	292.4	103	263
Cities with minimum cost of basket			
Saransk	185.6	103	215
Cheboksary	183.4	102	218
Yoshkar-Ola	183.2	102	224

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		Change in the cost of the basket in December 1995, in % of	
Voronezh	182.7	106	248
Orel	177.8	103	227
Tambov	177.8	104	218
Penza	174.8	103	221
Kazan	167.2	103	245
Belgorod	161.5	105	222
Ulyanovsk	132.0	101	228

* Capitals of republics included in Russian Federation, oblast and kray centers.

At the end of December the basket cost R277,200 in Moscow, and had risen in price by 4 percent during the month, and in St. Petersburg—R225,200 (2 percent). As compared with December 1994, this basket had risen in price by a factor of 2.2 in Moscow and St. Petersburg.

The slowdown in the growth rates of prices for **nonfood consumer items** in the course of the year was more uniform than that for food products, but by the end of the year, nonfood consumer items and food products had risen in price by virtually the same amount—a factor of 2.2.

Change in Prices for Basic Groups of Nonfood Consumer Items in 1995

	In % of preceding month		On average for month, %				December 1995 in % of December 1994
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	
Nonfood consumer items	104.6	103.0	110	106	106	104	216
incl.							
fabrics	106	104	114	110	107	105	282
of them, cotton	105	104	118	11 [as published]	107	104	309
clothing, underwear	106	104	110	106	106	106	224
footwear	104	103	108	106	107	104	205
detergents	103	102	112	106	104	103	205
tobacco products	102	101	111	112	110	102	276
furniture	104	104	113	105	105	105	217
electrical items	104	103	110	104	105	104	201
printed publications	106	104	114	107	107	105	256
television, radio items	102	102	110	104	102	102	168
building materials	105	102	110	109	109	104	253
medications and bandaging materials	105	105	115	110	105	105	270

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	In % of preceding month		On average for month, %				
fuel for population	106	103	113	107	107	107	273
carpets and carpet items	102	102	109	104	103	102	174
motor vehicle gasoline	101	100	118	114	104	101	293

The growing volumes of supplies of imported goods on the consumer market had a restraining effect on the overall growth rates of prices.

Since the beginning of the year, prices have risen most of all for tobacco products of domestic manufacture, household soap, and some types of medications—by a factor of 3-3.9. The smallest rise in prices was for durable goods and luxury items: carpets and carpet items, refrigerators, television sets, video equipment, jewelry items (by a factor of 1.6-1.9).

The rates for paid services for the population rose more quickly in the course of 1995 than did prices for commodities, and increased by a factor of 3.3 during the year.

Data Characterizing the Change in Rates for Paid Services for the Population

	In % of preceding month		On average for month, %				
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	December 1995 in % of December 1994
Paid services for the population	106.6	103.0	117	111	108	106	332
incl.							
everyday	106	104	110	107	105	105	221
passenger transport	105	106	115	110	107	105	300
communications	111	103	112	114	106	108	318
housing-municipal	107	100	128	112	111	107	492
children's preschool institutions	106	104	111	111	106	106	270
sanatorium-health-resort and fitness institutions	102	103	111	111	107	105	259
public health	109	105	111	108	107	107	263

In 1995, the most substantial rise in prices for the population was for the types of services for which the prices and rates are regulated by local administrations. For example, among the municipal services, the charge for network gas rose by a factor of 20, hot water supply, heating, and sewage—by a factor of 4.5-5,

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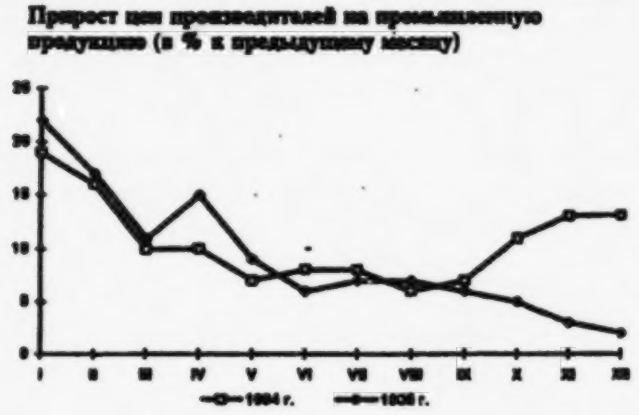
rent in the apartment houses of the municipal housing fund and operating expenses in ZhSK [House-Building Cooperative] houses and privatized apartments—by a factor of 4, and of passenger transport services: the charge for travel on suburban trains—by a factor of 3.6, by city transport—by a factor of 3.1-3.5, and on long-distance trains and air transport—by a factor of 2.7-2.8.

Against the background of the outstripping increase in rates for paid services, their great differentiation among individual Russian cities is noted. For example, the charge for hot water supply varied by a factor of 76, for heating—by a factor of 23, and for rent in apartment houses of the municipal building fund—by a factor of 33.

VI.2. Enterprise Prices

Producer prices for industrial goods rose by 2 percent in December 1995, which is the lowest monthly value during the period of reforms (in December 1994—by 13 percent). At the same time, the rise in prices for industrial goods during the month was less than the rise in prices for consumer goods (3.2 percent).

Rise in Producer Prices for Industrial Goods (in Percent of Preceding Month)



Change in Prices in Individual Sectors of Industry in the Course of 1995

	In % of preceding month		On average for month, %				
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	December 1995 in % of December 1994
Electric power	100	100	112	115	110	101	299
Fuel	103	100	120	109	105	103	287
Ferrous metallurgy	103	102	117	110	108	103	285
Nonferrous metallurgy	99	102	117	107	103	102	221
Chemical, petrochemical	102	102	116	112	105	102	267
Machine-building	104	102	116	110	106	104	278
Timber, woodworking, pulp-and-paper	102	104	117	110	105	103	274
Building materials industry	104	103	113	111	107	104	271

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	In % of preceding month		On average for month, %				
Light	104	103	114	110	106	104	263
Food	102	102	116	107	107	103	256

In January-December 1995, prices for industrial goods classified by broad economic categories changed with varying degrees of magnitude.

In December 1995, prices for the products of the **fuel-energy sectors of industry** remained virtually unchanged. In the 12 months of 1995, prices for the products of these sectors increased in larger amounts (by a factor of 2.9) than on the average for industry, due to the accelerated rise in prices for the products of oil-refining (by a factor of 3).

By the end of 1995, the rates of the rise in prices in the sectors of the fuel-energy complex had noticeably converged.

In **ferrous metallurgy,** in December, the rise in prices was 1.5 percent, and was the smallest as compared with the preceding months of 1995. In the course of the month, prices for electric steel, beams and channel iron, wire, galvanized sheet steel, and a number of other types of products remained unchanged. Producer prices for pig iron, merchant shapes, and steel pipes rose by an average of 2 percent. On the whole for the year, the growth rates of prices for the basic types of the sector's products differed noticeably—iron-ore pellets and iron ore concentrate rose in price by a factor of 1.8-2, ferrosilicon and coke—by a factor of 2.1-2.4, and railroad rails, beams and channel iron, and galvanized sheet steel—by a factor of 3.6-4.

In December 1995, the relatively slow growth rates of prices in the **chemical and petrochemical industry** which had formed in the 4th quarter were maintained, and were 1.6 percent for the month. There was no change in the prices for liquid ammonia, soda ash, synthetic fibers, motion picture film, and certain other products. On the whole for the sector in 1995, prices rose least of all for motion picture film, sulfur, apatite concentrate, caustic soda, and soda ash—by a factor of 1.5-2.2, and rose most—by a factor of 2.9-3—for mineral fertilizers, caprolactam, motor vehicle tires, and paint-and-varnish materials.

In **machine-building,** in December 1995, the rise in prices did not exceed the rise in prices for industry as a whole, and was 2 percent. Prices for the products of diesel-electric and railroad machine-building rose somewhat more than the average for the sector—by 4-5 percent. In the course of the year the dynamics of prices in the machine-building subsectors did not develop similarly, and in many ways depended on the degree of structural reorganization of production.

The rise in prices for the products of the **building materials industry** decreased in December, as compared with the preceding months, and constituted 3 percent. The growth rates of prices for the sector's products, according to the results for the year, were virtually at the level that had formed as a whole for industrial production. There was a more substantial rise in prices for items in the soft roofing materials industry (a factor of 3.2), the cement industry and lime, gypsum, and binding materials industry (a factor of 2.9).

In **light industry,** the increase in prices was 3 percent in December, and since the beginning of the year—a factor of 2.6, and was in many ways determined by the limited demand for the sector's products, related to the stiff market competition from imported goods.

In 1995 the greatest rise in price was for the production of natural wool and silk fabrics and tulle-curtain items; Russian leather items—by a factor of 3.1-4, and for individual types of children's goods: suits, trousers, coats, and short coats—by a factor of 3.5-3.7.

In the **food industry,** the growth rates of prices in December 1995 remained at the November level, and were the lowest for the year—2 percent. In the 12 months, the rise in prices in the food industry (by a factor of 2.6) was also lower than in other sectors producing consumer goods. At the same time, prices for various subsectors of the food industry this year did not change in the same way. With the relatively moderate rates of price rise in the sugar, pastry, winemaking, and oil and fat industry (by a factor of 1.9-2.2), as well as in the dairy, oil and cheese-making, and fish industries (a factor of 2.3), high rates of price rises were observed for the milling-hulling, alcohol, and bread industry (by a factor of 3.3-3.7).

Throughout 1995, changes took place in the correlations of domestic prices to world market prices.

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Correlation of Domestic Prices for Material-Technical Resources Purchased by Enterprises and World Market Prices

In percent

	December 1994	March	June	September	November
Oil	30	39	52	64	65
Motor vehicle gasoline	79	106	148	181	192
Steel, merchant structural	78	78	104	172	183
Aluminum, primary, incl. silumin	58	71	95	103	110
Oil	57	88	90	100	121
Propylene	65	55	92	97	167
Timber	20	25	27	37	74
Natural wool	10	16	26	37	41
Vegetable oil	100	92	103	141	125

Data Characterizing the Dynamics of Rates for Freight Transport by All Types of Transport in 1995

	In % of preceding month		On average for month, %				
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	December 1995 in % of December 1994
Freight transport	100.8	99.7	116	111	104	101	254
Railroad	100	100	117	111	102	100.1	240
Pipeline	100	96	119	114	110	101	378
Motor vehicle	106	101	116	110	105	106	288
Air	103	107	110	110	105	103	224

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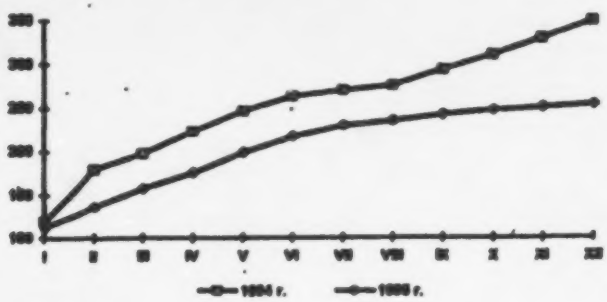
Rise in Rates for Freight Transport (in Percent of December of Preceding Year)

Рост тарифов на грузовые перевозки (в % к декабрю предыдущего года)



In 1995, the rates for freight transport rose less than in 1994 (by a factor of 2.5 and 3.5 respectively), mainly because of the slow down in the growth rates of tariffs for railroad freight transport.

VII. The Consumer Market

The consumer market was in a steady state of equilibrium throughout 1995, with a high degree of saturation with goods and a stable level of provision with commodity stocks.

Retail commodity turnover, including public catering, constituted R553 trillion in 1995, which exceeded 1994 by a factor of 2.6. In the commodity mass, 7 percent fewer goods were sold to the population in this period. Beginning with May 1995, the decrease in the capacity of the domestic market was checked. In December 1995, the physical volume of retail commodity turnover rose over November by 7 percent.

Data Characterizing Change in Total Volume of Retail Commodity Turnover in Fixed Prices

	1995, trillion rubles	In % of 1994	December 1995 in % of		Reference: in % of corresponding period of 1994			
			November 1995	December 1994	1st Quarter	2d Quarter	3d Quarter	4th Quarter
Total retail turnover volume	553	93	107	97	90	94	91	95
incl. commodity turnover of								
trade enterprises	404	91	106	94	89	92	88	93
personal property, mixed and food markets	149	98	110	104	92	100	96	102

In the past year, just as in 1994, trading on the markets was more active than at trade enterprises. The proportion of the market sales of commodities in the total retail commodity turnover volume in 1995 was 27 percent, as against 26 percent in 1994. At present, the population is purchasing here 76 percent of the total volume of purchases of clothing, 61 percent of the footwear, 68 percent of the knitted garments, 44 percent of the fruits,

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30-34 percent of the meat, vegetable oil, vegetables, and potatoes, 14-21 percent of the animal oil and eggs, and 6-9 percent of the sausage items, sugar, and confectionery items.

In the past year, in the macro-structure of retail commodity turnover, nonfood consumer items predominated, as before. Their proportion as compared with 1994 dropped, however, which stems from a certain reduction in the solvent demand of the population.

In 1995, R264 trillion worth of food products were sold to the population, and R289 trillion worth of **nonfood consumer items,** which is, in physical volume, respectively 10 percent and 5 percent less than in 1994. In December, as compared with November, the index of the physical volume of retail commodity turnover from the sale of food products was 106 percent, and of nonfood consumer items—107 percent. The sale of food products decreased by 1 percent, as against December 1994, and of nonfood consumer items—by 6 percent.

In December, as compared with January 1995, the **level of availability of the basic food and nonfood consumer items** rose by 15 percent (for some food products—by a factor of 1.5-2.1), and by 3 percent as compared with November 1995.

Data Characterizing the Dynamics of the Level of Availability of the Basic Food and Nonfood Consumer Items * in the Course of 1995

in percent

	January	March	June	September	November	December
Food products						
beef	41	45	45	50	55	55
animal oil	54	75	81	81	82	82
vegetable oil	69	74	73	61	79	83
eggs	58	68	65	65	59	62
sugar	60	70	68	75	83	85
Nonfood consumer items						
men's jackets	68	65	60	63	68	69
men's suits	52	54	57	58	59	59
women's lightweight coats	56	56	50	54	57	57
men's shoes	59	59	62	65	68	68
women's light boots	74	71	53	60	66	64

* The indicator is calculated as the ratio of the number of shops at which a commodity was on sale at the time of registration to the total number of shops surveyed that trade in the corresponding commodities.

The level of availability of commodities at shops increased during the past month in 40 regions, decreased in 22, and was unchanged in the rest. This indicator rose for the indicated period by 18 percent in the Republic of Kalmykia-Khalmg Tangch, and by 5-10 percent in the Republic of Altay and Tula, Ivanovo, Tyumen, Kamchatka, and Sakhalin Oblasts; it dropped by 5-8 percent in the republics of Karelia and Udmurtia and in Amur Oblast, and by 10 percent in the Republic of Khakassia.

VIII. The Labor Market

VIII.1. Employment

By the end of 1995 the economically active population numbered 73.0 million people, or 49 percent of the total population of the country. They included 67.0 million people (91.8 percent) employed in the economy and 6.0

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million people (8.2 percent) who did not have employment, but were actively seeking it and, in accordance with the methodology of the International Organization of Labor, were classified as unemployed. Some 2.3 million people, or 3.2 percent of the economically active population, are officially registered as unemployed at the organs of the employment service.

At the end of the month, thousand persons

	Total number of unemployed	Including officially registered unemployed	In percent			
			of preceding month		of corresponding month in 1994	
			total number of unemployed	number of officially registered unemployed	total number of unemployed	number of officially registered unemployed
December 1994	5,478	1,637	133	106	132	196
1995						
January	5,516	1,711	100.7	105	126	191
February	5,670	1,839	103	108	121	186
March	5,630	1,921	99.3	104	114	177
April	5,660	1,986	100.5	103	109	168
May	5,682	1,993	100.4	100.4	110	163
June	5,705	2,004	98.6	100.6	110	159
July	5,676	2,048	99.5	102	108	155
August	5,733	2,058	101	102		106
September	5,800	2,104	101	100.3	107	148
October	5,864	2,142	101	102	107	145
November	5,940	2,228	101	104	108	144
December (estimate)	6,040	2,339	102	105	110	143

In November 1995, 4.3 percent of the total number of those employed at the enterprises and organizations of various sectors of the economy were on administrative leave, and 3.9 percent, according to conditions at the beginning of December, were forced to work under the conditions of a part-time work week (day).

Of the number of people on enforced leave, over 40 percent received no monetary wages during the period of the leave.

VIII.2. Strikes

In December 1995, strikes occurred at 2,741 enterprises, institutions, and organizations, including at 2,724 educational institutions, in 31 regions of Russia. In addition, there were averted strikes (lasting less than one day) at 68 educational institutions. The greatest loss of work time occurred at schools in Irkutsk (38,700 man-days), Chita (28,300 man-days), and Arkhangelsk Oblasts (25,200 man-days), St. Petersburg (20,200 man-days), the Republic of Buryatia (14,400 man-days) and Krasnodar Kray (12,300 man-days).

	Number of enterprises, institutions, and organizations where strikes occurred	Number of participants, thousand persons	Loss of work time, thousand man-days
January	96	4.7	12.7
February	249	146	572
March	174	13.0	83.7
April	296	19.7	161

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	Number of enterprises, institutions, and organizations where strikes occurred	Number of participants, thousand persons	Loss of work time, thousand man-days
May	48	4.5	20.2
June	3	1.2	1.8
July	6	1.9	4.5
August	8	1.5	9.9
September	5,007	183	199.1
October	102	5.8	23.1
November	236	9.5	55.4
December	2,741	104	223

Distribution of Strikes by Sectors of the Economy in December 1995

	Number of enterprises, institutions, and organizations where strikes occurred	Number of participants, thousand persons	Loss of work time, thousand man-days
Education	2,724	100	213
Industry	9	1.6	3.4
incl. fuel	5	1.2	1.5
Transport	4	0.9	5.0
Public health	2	0.1	0.9
Construction	1	0.0	0.3

The main reasons for the strikes remain late payment of wages, their low level, and inadequate financing of educational institutions.

IX. Standard of Living of the Population

Basic Socioeconomic Indicators of the Standard of Living of the Population

	1995	1994	Reference: 1995				
			1st Quarter	2d Quarter	3d Quarter	4th Quarter	Incl. in December
Monetary incomes (on average per capita per month), thousand rubles	532.9	206.3	355.6	491.2	581.3	705.2	781.9
Real disposable average per capita monetary income*	87	113	96	90	82	87	87
Average monthly credited wage of workers in sectors of economy, thousand rubles	482.2	220.4	328.2	432.3	528.3	639.8	710.0

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			Reference: 1995				
Real average monthly credited wage*	74	92	70	71	71	83	87
Average amount of credited pension (per month), thousand rubles	183.5**	75.9	131.7	168.6	209.1	224.8**	233.4**
Real amount of monthly credited pension*	81**	94	84	80	81	81**	85**
Subsistence minimum (average per capita per month), thousand rubles	264.1	86.6	199.9	255.3	288.6	312.7	327.3
Number of population with incomes below subsistence minimum, million persons	36.6	33.3***	45.1	42.2	35.6	30.2	28.9
in % of total number of population	24.7	22.5	30.4	28.5	24.0	20.3	19.5
in % of corresponding period last year	110	80	120	113	103	104	105
Correlation with subsistence minimum, %							
Average per capita monetary income	202	238	178	192	201	226	239
Average monthly credited wage	162	226	146	151	163	182	193
Average amount of fixed monthly pension	98.6**	124	93	94	103	102**	101**

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			Reference: 1995				
Correlation of incomes 10 percent most and least well-off population (on average for period since beginning of year)	13.5	15.1	13.6	13.4	13.4	13.5	

* In percent of corresponding period last year

** Estimate

*** According to revised data

Real disposable monetary incomes (incomes less obligatory payments, corrected for consumer price index) were 13 percent lower than in January-December 1994. At the same time, a monthly rise in them was noted in the course of 1995.

Data Characterizing the Dynamics of Real Disposable Monetary Incomes

	In % of		
	January 1995	preceding month	corresponding period in 1994
January	100	66.6	102.8
February	101.5	101.5	92.8
March	110.7	109.1	91.9
1st quarter			96.4
April	111.1	100.4	86.1
May	112.3	101.1	94.5
June	116.2	103.5	88.2
2d quarter			90.3
1st half-year			92.8
July	112.8	97.1	83.3
August	113.8	100.9	79.4
September	115.6	101.6	81.0
3d quarter			81.7
January-September			88.0
October	116.3	100.6	85.6
November	118.0	101.5	91.5
December	130.7	110.8	86.6
4th quarter			87.4
2d half-year			84.5
1995			

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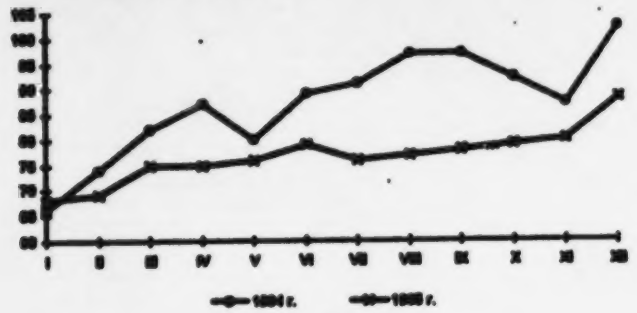
Real Disposable Monetary Incomes of the Population (in Percent of December 1993)
Реальные располагаемые денежные доходы населения
(в % к декабрю 1993 г.)



Differentiation in incomes of the population. Beginning in mid-1995, as compared with the corresponding period last year, the processes of stratifying society according to the level of monetary incomes were halted, and a relative stabilization was noted in the dynamics of the incomes of the least well-off and average well-off groups of the population.

Distribution of Total Amount of Monetary Incomes of the Population

In percent			
	1995	Reference	
		1993	1994
Monetary incomes	100	100	100
incl. by 20 percent groups of the population			
first (with lowest incomes)	5.8	5.8	5.3
second	10.4	11.1	10.2
third	15.2	16.7	15.2
fourth	22.2	24.8	23.0
fifth (with highest incomes)	46.4	41.6	46.3
Coefficient of income concentration (Gini Index)	0.381	0.398	0.409

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Distribution of Russian Federation Population by Size of Average per Capita Incomes

	Million persons		In % of total	
	1995	including December	1995	including December
Entire population	148.2	148.2	100	100
incl. with average per capita monetary income per month, thousand rubles				
up to 1,000	2.9	1.1	2.0	0.8
1,000-2,000	18.5	9.3	12.5	6.3
2,001-3,000	25.5	15.9	17.2	10.7
3,001-4,000	23.4	17.6	15.7	11.9
4,001-5,000	18.8	16.5	12.7	11.1
5,001-7,000	25.0	26.7	16.9	18.0
7,001-10,000	18.5	25.5	12.5	17.2
Over 10,000	15.6	35.6	10.5	24.0

In December, the 10 percent most well-off of the population accounted for about 27 percent of the monetary incomes (in 1995—about 31 percent), and the 10 percent least-well-off of the population—2.5 percent (in 1995—2.4 percent); 63 percent of the population had below-average incomes.

The subsistence minimum. The amount of the subsistence minimum, determined in accordance with the methodology of the RF Ministry of Labor, in December 1995, was R327,000 per person.

In 1995, the correlation of the monetary incomes and the subsistence minimum remained below last year's level (202 percent as against 237 percent in 1994). This situation has formed in virtually all regions of the Russian Federation.

The average per capita monetary incomes of 24.7 percent of the population (about 37 million persons) in 1995 were below the subsistence minimum. The number of the population with incomes below the subsistence minimum dropped steadily throughout 1995: from 33 percent in January to 20 percent in December. Beginning in September, the proportion of this population went negligibly beyond the framework of last year's mark.

The group of the population (about 37 million people) with incomes below the subsistence minimum did not remain uniform with respect to its composition. The standard of living of these people is also quite strongly differentiated and dissimilar. At the same time, the period during which the population stayed in this group decreased considerably. For example, in 1994, every month throughout the year, 54 percent of the population had incomes below the subsistence minimum, but in 1995—only 35 percent. The intensification of the temporary poverty which appeared this year may be regarded as the result of the growing problem of late payment of wages and pensions.

The income deficit, estimated as the sum of additional funds needed to bring the incomes of needy groups of the population up to the subsistence minimum level, was R36 trillion in 1995, or 3.8 percent in relation to the total volume of monetary incomes (in 1994, respectively, R12 trillion, or 3.3 percent).

Wages. According to estimates, the average wage credited in December 1995 was R710,000, and rose by 15 percent as compared with November 1995, and with December 1994—by 101 percent. The amount of the real average wage, calculated on the basis of the wages credited and the consumer price index, in December 1995 was 87 percent of the level of December 1994, and 112 percent—compared to the November 1995 level.

Pensions. In 1995, the average size of the fixed pension (allowing for compensation payments) was estimated at R183,500 a month, which was 98.6 percent of the amount of the subsistence minimum for the pensioner.

In the course of the year the average size of the pension was revised six times, which virtually evened out the distribution of the pension payments. At the end of 1995, the fixed compensation was 21 percent of the

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total amount of the pension, as against 17 percent at the beginning of the year.

***Russia: Statistics on Socioeconomic Situation as of 11 December 1995**

964E0383B Moscow DELOVOY MIR in Russian 20 Dec 95 p 4

[Report based on data of Russian State Committee for Statistics: "Socioeconomic Conditions on 11 December"]

[FBIS Translated Text] **PRICES OF CONSUMER GOODS AND SERVICES. Minimal increases in the consumer prices and rates of goods and services were recorded for the second week in a row in December for the first time since these records began to be kept.**

The consumer price index for the period from 5 to 11 December was 100.7 percent: 100.7 percent for goods and 100.6 percent for paid services for the population.

The highest increase in the prices of consumer goods and services during the week was recorded in the cities of the Northern Region (1.9 percent), and the lowest increase was recorded in the East Siberian Region (0.5 percent).

The consumer price index is presented below (in percentages):

Categories	In relation to previous recording date			Average daily rise in prices	
	27 Nov	4 Dec	11 Dec	December	November
Consumer price index	101.0	100.6	100.7	0.09	0.15
Foods	100.8	100.7	100.7	0.10	0.13
excluding produce	100.7	100.5	100.5	0.08	0.11
Non-food items	101.4	100.6	100.7	0.08	0.15
Paid services	100.5	100.3	100.6	0.07	0.21

The consumer price index since the beginning of the month was 101.0 percent: 101.1 percent for foods, 100.9 percent for non-food items, and 100.7 percent for paid services for the population.

FOODS: The price dynamics for the main groups of foods in the last three weeks are presented below (in percentage of prices on previous recording date):

Foods	27 Nov	4 Dec	11 Dec
All foods	100.8	100.7	100.7
Meat and meat products	100.3	100.2	100.2
Fish and fish products	100.6	100.8	100.8
Edible fats	100.4	100.3	100.2
Milk and dairy products	100.8	101.3	101.2
Eggs	103.2	102.9	102.7
Flour	100.9	100.5	100.5
Bread and baked goods	100.9	100.6	100.6
Noodles and cereals	101.2	100.9	100.9
Alcoholic beverages	100.8	100.5	100.6
Produce, including potatoes	102.3	102.1	102.3

The highest price increases during the period from 5 to 11 December were recorded for produce: 5.2 percent for fresh cabbage, 2.7 percent for potatoes, and 2.3 percent for root crops. Egg prices continued to rise, by 4.7 percent since the beginning of the month. Besides this, the prices of fermented milk products, sour cream, and the recorded types of cereals displayed a higher increase during the past week than other foods (1.4-1.7 percent). The prices of meat and meat products, butter, vegetable oil, sugar, non-alcoholic beverages, champagne, and beer remained virtually the same.

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The cost of the group of 19 dietary staples was 0.8 percent higher than it had been on the previous recording date and amounted to an average of 225,700 rubles a month throughout Russia on 11 December. The maximum cost was still being recorded in cities of the Far East, and the minimum cost was recorded in cities of the Volga and Central Chernozem regions. The maximum cost was 3.8 times as high as the minimum cost in these cities. The maximum cost was 2.3 times as high as the minimum cost in cities in the European part of Russia and 2.6 times as high in cities in Siberia and the Far East. The increase in the cost of these foods did not exceed 0.2 percent in almost one-fourth of the territorial centers, but the cost rose 3-4 percent in Kemerovo, Elista, and Kyzyl.

NON-FOOD ITEMS: The price dynamics for the main categories of non-food items in the last three weeks are presented below (in percentage of the prices on the previous recording date):

Goods	27 Nov	4 Dec	11 Dec
All non-food items	101.4	100.6	100.7
Fabrics	101.9	100.8	101.1
Clothing and linens	101.8	100.8	101.0
Footwear	101.1	100.6	100.5
Tobacco products	100.2	100.3	100.2
Medications and dressings	101.8	100.7	101.0
Fuel	101.3	100.1	100.0
Gasoline	100.1	100.2	100.1

Although the overall rise in the prices of non-food items was negligible, the highest increases in the past week were recorded in the prices of some medications (2-2.6 percent), woolen fabrics (1.7 percent), and newspapers (1.6 percent). The prices of fuel for the population, gasoline, tobacco products, and jewelry remained almost the same.

PAID SERVICES: The price dynamics for the main groups of paid services in the last three weeks are presented below (in percentage of the prices on the previous recording date):

Services	27 Nov	4 Dec	11 Dec
All paid services	100.5	100.3	100.6
Personal services	101.1	101.0	101.2
Passenger transport	100.4	100.1	100.6
Communications	100.2	102.0	100.2
Housing and utilities	100.2	100.0	100.3
Child care	100.8	101.4	100.7
Health care	103.2	101.1	101.9

The highest increases during the period from 5 to 11 December were in the cost of health care, cultural establishments, and religious services (1.7-1.9 percent). The highest increases in the rates of personal services were recorded in the cost of dry cleaning (2.2 percent), tailoring and television and radio repair services (1.8 percent), and the highest increase in passenger transport services was recorded in the cost of inter-urban bus fares (2 percent). The cost of travel services and the services of health resorts and therapeutic institutions remained almost the same.

Average Daily Increase in Consumer Prices in 1995 (in percentages)

Months	Average daily increase, total	Foods	Non-food items	Services
Jan	0.53	0.63	0.37	0.67
Feb	0.37	0.35	0.32	0.64
Mar	0.29	0.27	0.28	0.33

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Months	Average daily increase, total	Foods	Non-food items	Services
Apr	0.28	0.24	0.29	0.39
May	0.25	0.27	0.18	0.34
Jun	0.21	0.24	0.15	0.28
Jul	0.17	0.14	0.17	0.30
Aug	0.14	0.09	0.20	0.24
Sep	0.14	0.09	0.20	0.23
Oct	0.15	0.11	0.16	0.28
Nov	0.15	0.13	0.15	0.21
1-11 Dec	0.09	0.10	0.08	0.07

Average Cost of Group of 19 Dietary Staples in Russia in 1995 (at end of period, in rubles per person)

Months	Cost per month	Increase since previous month, %	Increase since Dec 94, %
Jan	125,944	125	125
Feb	144,498	115	144
Mar	157,285	109	156
Apr	166,403	106	166
May	180,596	109	180
Jun	195,867	108	195
Jul	211,177	108	210
Aug	206,242	98	205
Sep	205,342	100	204
Oct	212,314	103	211
Nov	221,772	104	221
1-11 Dec	225,704	101	225

List of Russian Cities with Maximum and Minimum Costs of Group of 19 Dietary Staples on 11 December (capitals of republics belonging to Russian Federation and oblast and kray centers)

Cities	Monthly cost, in thousands of rubles	Change in cost between 5 and 11 Dec, %
Cities with maximum cost		
Yakutsk	492.2	102
Magadan	470.0	100
Petropavlovsk-Kamchatskiy	435.9	101
Yuzhno-Sakhalinsk	391.4	97
Vladivostok	365.1	102
Khabarovsk	328.4	100
Murmansk	296.9	100
Chita	290.1	99
Arkhangelsk	287.4	100
Irkutsk	278.7	96
Cities with minimum cost		
Saransk	181.0	99
Kursk	180.7	101
Lipetsk	179.4	103
Voronezh	179.4	103
Orel	174.4	101
Penza	173.1	101
Tambov	171.7	100

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Cities	Monthly cost, in thousands of rubles	Change in cost between 5 and 11 Dec, %
Kazan	165.1	102
Belgorod	155.8	101
Ulyanovsk	131.2	100

The cost of the group of 19 dietary staples in Moscow was 272,000 rubles (101 percent) and the cost in St. Petersburg was 222,300 rubles (100 percent).

WHOLESALE PRICES: The increase in the producer prices of industrial products in November this year was 3 percent, which was the lowest monthly indicator since the records began to be kept in January 1992. Furthermore, the increase in producer prices during the month was lower than the increase in consumer prices (3 percent and 4.5 percent respectively). The increase in producer prices last November was 13 percent.

The rise in producer prices since the beginning of the year was 270 percent, and the rise in the prices of goods and services in the consumer market was 224 percent (the figures for the same period in 1994 were 295 percent and 270 percent respectively).

The changes in producer prices in some branches of industry in 1995 are presented below:

Branches	In % of previous month		Monthly average, %			Nov 95 in % of Dec 94
	Oct	Nov	1st quarter	2d quarter	3d quarter	
Electrical power engineering	103	100	112	115	110	299
Fuel industry	106	103	120	109	105	285
Ferrous metallurgy	103	103	117	110	108	281
Nonferrous metallurgy	104	99	117	107	103	217
Chemical and petrochemical industry	102	102	116	112	105	263
Machine building	106	104	116	110	106	272
Timber, woodworking, and pulp and paper industry	104	102	117	110	105	265
Construction materials production	106	104	113	111	107	264
Light industry	105	104	114	110	106	256
Food industry	105	102	116	107	107	251

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The producer prices of the means of production rose more quickly in January-November this year than the prices of intermediate goods and consumer goods.

Categories	In % of previous month		Monthly average, %			Nov 95 in % of Dec 94
	Oct	Nov	1st quarter	2d quarter	3d quarter	
Industry	105	103	117	110	107	270
Means of production	107	104	117	111	107	301
Intermediate goods	104	102	117	111	107	277
Consumer goods	104	103	115	106	106	228

The prices of products of the **fuel and energy branches of industry** rose 3 percent in November this year. The increase in these prices during the first 11 months of this year (2.9-fold) was higher than the average for industry because of the higher rise in the prices of petroleum products (3-fold).

The level and dynamics of average producer prices for **some types of energy resources** in 1995 are presented below (in percentages):

Products	Average price (end of month), thousands of rubles per tonne			Nov 95 in % of Dec 94	Correlation of average producer prices to price of oil		
	Jan	Sep	Nov		Jan	Sep	Nov
Electricity, thousands of kilowatt-hours	70	160	163	286	57	59	58
Oil	122	273	282	281	100	100	100
Gasoline	352	690	751	306	289	253	266
Diesel fuel	315	597	635	296	259	219	225
Fuel oil	158	260	281	275	130	95	100
Coal for energy	39	66	75	274	32	24	27
Coal for coking	74	105	119	259	61	38	42
Gas, thousands of cubic meters	6.9	15.5	17.2	256	6	6	6

In **ferrous metallurgy** the overall rise in prices was 3 percent and was the same as in October. The increase in the producer prices of cast iron, rolled sheet metal, wire, and steel pipe was 1-3 percent on the average, and the rise in the prices of steel cable, graded rolled stock, and galvanized steel sheet was 5-7 percent. The prices of these products increased from 2.6-fold to 3.6-fold during the first 11 months of this year.

The relatively low rates of increase in prices in the **chemical and petrochemical industry** recorded in recent months remained low in November this year, amounting to 2 percent for the month. There was no change in the prices of apatite concentrate, soda ash, and artificial fibers; there was an increase of 2 percent in the prices of mineral fertilizers and of chemical fibers and filaments, and of 5-7 percent in the prices of

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synthetic ammonia, caprolactam, and rubber footwear. The increase in these prices during the first 11 months of the year ranged from 1.9-fold to 2.9-fold.

In **machine building** the rise in prices in November this year was higher than the average for industry and amounted to 4 percent. The rise in the prices of products of chemical, petroleum, and railroad machine-building was higher than the average for this branch—7-10 percent.

The rise in the prices of products in the **construction materials industry** in November this year was lower than it had been the previous month, and the rise in these prices in January-November was slightly lower than the average for all industry. The highest increases were recorded in the prices of soft roofing materials (3.3-fold) and of cement, liming materials, gypsum binding materials, and other binding agents (from 2.8-fold to 2.9-fold).

Prices in **light industry** rose 4 percent in November and displayed a 2.6-fold increase since the beginning of the year. They were influenced largely by demand-related restrictions on the products of this industry in connection with the strong competition of imported goods in the market.

The highest increases between January and November this year were recorded in the prices of woolen fabrics, curtains, Russian leather goods, and virgin wool—increases ranging from 3.1-fold to 3.9-fold.

The rate of increase in prices in the **food industry,** where demand-related restrictions have a decisive effect on changes in prices, in November this year was the lowest in 1995 and amounted to 2.4 percent. Price increases in the food industry during the whole first 11 months of the year (2.5-fold) were also lower than in other branches producing consumer goods.

The changes in prices in different subbranches of the food industry this year were not uniform. The relatively moderate rate of increase in the prices of confectionery and lard (2-fold) and of milk, butter and cheese, and fish (2.2-fold) was accompanied by higher rates of increase in the prices of flour and cereals (3.6-fold), alcohol products (3.3-fold), and baked goods (3.2-fold).

The correlation of domestic prices to the prices of comparable goods in world markets continued to change throughout 1995. The correlation of the domestic prices of material and technical resources acquired by enterprises to prices in world markets in 1995 is presented below (in percentages):

Resources	Dec 94	Mar	Jun	Sep
Oil	30	39	52	62
Gasoline	79	106	148	178
Aluminum, including silumin	58	71	95	104
Nickel	57	88	90	87
Sulfur	43	36	46	119
Phosphoric acid	124	134	123	143
Lumber	20	25	27	37
Virgin wool	10	16	26	37

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LABOR MARKET: The economically active population amounted to 73 million by the end of November 1995 and represented 49 percent of the country's whole population. Around 67.1 million of these people (91.9 percent) were employed in the economy, and 5.9 million (8.1 percent) were not employed but were actively seeking employment and were classified as unemployed individuals in accordance with the methods of the International Labor Organization. Around 2.2 million people, or 3 percent of the economically active population, were officially registered with employment agencies as unemployed individuals.

Months	At end of month, thousands of people		In % of previous month		In % of same month last year	
	Total unemployed	Officially registered unemployed	Total unemployed	Officially registered unemployed	Total unemployed	Officially registered unemployed
Dec 94	5,478	1,637	133	106	132	196
1995						
Jan	5,516	1,711	100.7	105	126	191
Feb	5,670	1,839	103	108	121	186
Mar	5,630	1,921	99.3	104	114	177
Apr	5,660	1,986	100.5	103	109	168
May	5,682	1,993	100.4	100.4	110	163
Jun	5,705	2,004	98.6	100.6	110	159
Jul	5,676	2,048	99.5	102	108	155
Aug	5,733	2,098	101	102	106	151
Sep	5,800	2,104	101	100.3	107	148
Oct	5,864	2,142	101	102	107	145
Nov (estimate)	5,940	2,190	101	102	108	141

According to estimates, in October this year around 4 percent of all the people employed by enterprises and organizations in different branches of the economy were **on leave at the request of the administration,** and around the same number had been forced to work a **partial work week (or day)** at the beginning of November this year.

More than 40 percent of the people on compulsory leave from work did not receive any pay while they were on leave.

In November this year there were **strikes** at 236 enterprises, institutions, and organizations, including 229 educational institutions.

The largest losses of work time were recorded at the Ore Administration in Taktagul (13,100 man-days), schools in Khabarovsk Kray (17,300 man-days) and Arkhangelsk Oblast (6,300 man-days), and the Arkhangelsk Woodworking Combine (4,600 man-days).

Months	Number of enterprises, institutions, and organizations where strikes were held	Number of strikers, thousands	Losses of work time, thousands of man-days
Jan	96	4.7	12.7
Feb	249	146	572
Mar	174	13.0	83.7
Apr	296	19.7	161
May	48	4.5	20.2
Jun	3	1.2	1.8
Jul	6	1.9	4.5
Aug	8	1.5	9.9
Sep	5,007	183	199.1

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Months	Number of enterprises, institutions, and organizations where strikes were held	Number of strikers, thousands	Losses of work time, thousands of man-days
Oct	102	5.8	23.1
Nov	236	9.5	55.4

The distribution of strikes in different branches of the economy in November this year was the following:

Branches	Number of enterprises, institutions, and organizations where strikes were held	Number of strikers, thousands	Losses of work time, thousands of man-days
Education	229	7.7	35.3
Industry	5	1.5	19.5
fuel	3	0.5	1.9
Construction	1	0.0	0.4
Public health	1	0.2	0.2

The failure to pay wages on time, low wages, and the inadequate financing of educational institutions were still the main reasons for the strikes.

*Russia: Impact of Harvest Shortfall on Food Prices Assessed

964E0354A Moscow ROSSIYSKAYA GAZETA (BIZNES V ROSSII SUPPLEMENT) in Russian 16 Dec 95 pp 9, 10

[Article by Aleksandr Gavrilyuk: "The Poor Harvest Dictates the Prices"]

[FBIS Translated Text] **The possible rise in prices for grain and bread products may be one of the main factors keeping inflation at a level of 4-5 percent a month.**

The Lowest Level in the Last 30 Years

The unfavorable weather conditions had an effect on the drop in the grain harvest throughout the world. According to the predictions of the International Wheat Council, the world harvest of grain this year will not exceed 540 million tonnes, with a total consumption of 546 million tonnes. World reserves of wheat in the 1995-1996 agrarian year will decrease to 97 million tonnes — the lowest level in the last 20 years. This will lead to a rise in world prices.

In our country, unfavorable weather conditions, combined with economic difficulties, led to the lowest gross harvest of grain in the last 30 years.

The low profitability of producing grain last year led to a decrease of 4 percent in the areas sown this year. Agriculture arrived at the beginning of 1995 with an obsolete material-technical base, sapped finances, natural resources that were to a considerable extent exhausted and inefficient production organization.

The group of problems awaiting the country because of the considerable cutback in grain production in 1995-1996 has already been defined. The expected gross grain harvest of 65 million tonnes after final treatment will be 20 percent lower than the preceding year and 44 percent lower than 1990. Nevertheless, according to predictions, we should have enough grain until the next harvest. We had to have a reserve of 26-27 million tonnes for food purposes in 1995, for feed purposes — about 6 million tonnes and for seed — 14 million tonnes. We should have a reserve of about another 29 million tonnes until the next harvest. In 1995 this reserve may be only 16 million tonnes.

Inspections of the harvest show that in the southern and central regions of the country many batches of wheat have gluten of group 3 quality and lower.

All this creates no small difficulties when making up grinding batches of grain to process flour which comes up to at least the lower technical standards. The country has not produced flour which comes up to established standards for a number of years, and temporary technical standards are in force, with lower requirements for the quality of the grain and, accordingly, the flour. This year, therefore, there is an increasingly keen demand for the durum, strong and valuable varieties of soft wheat, used as improvers.

Grain Has Gone on the Market for the First Time

On 23 October, 0.7 million tonnes of grain, of the planned 8.6 million tonnes, were purchased for the federal fund and 0.7 million tonnes for seed. Some 7.3 million tonnes were purchased for the regional fund. Some 2.5 million tonnes were accepted for domestic storage.

In all, 4.4 million tonnes of wheat suitable for food purposes were purchased, and 2.5 million tonnes were accepted for domestic storage. Strong, durum and valuable varieties make up 46 percent of the purchases.

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One million tonnes of rye were purchased, including 87 percent for food purposes.

According to the results of six months, the main portion of grain was sold on the market (46.9 percent) and about one-third was distributed to workers to count as wages, through the public catering system.

Over 16 percent was sold through barter transactions — procurement organizations purchased only 8.5 percent, and the Tsentrosoyuz [Central Union of Consumer Cooperatives] — only 0.1 percent.

The same situation is forming for other grains.

Prices do not play the main role in this situation, since the prices offered by the Tsentrosoyuz are maximum. The solvency of the buyer and the debt obligations of the farms to the creditors emerge in first place as a criterion.

In spring the state allotted preferential commodity credit against future purchases, but found itself unable to redeem the products ordered on time. A decree of the RF Government stipulates that purchases may be made using the money of the repaid loan, but so far this money has not arrived in the account of the Ministry of Agriculture. The Tsentrosoyuz also found itself insolvent. In this situation, preference is given to businessmen, especially since they had given an advance to many farms as far back as the Spring, without which they simply could not have been able to do the sowing. Some of the businessmen were left with a loss, having invested money in fields from which they could not even gather the seeds.

In this situation, the local authorities are tempted to impose a ban on free sale of grain until a sales contract is executed which ensures the formation of an oblast grain fund, which runs counter to the RF Law "On Competition," and a number of other RF Government directives.

Moreover, since grain can be stored for a long time, under the conditions that have formed, the farms most likely will not sell the gathered grain for the time being, preferring a rise in prices to losses through storage (they doubled, as compared with 1990).

Purchase Prices Continue To Rise

It is clear that purchase prices will have a tendency to rise. Moreover, the limited solvent demand of the farms and milling combines will hold back the income, particularly of the middleman purchasing structures. Bread is, however, a product of prime necessity, and the rise in prices for food grain will occur at more rapid rates. Purchase prices for forage grain may increase at slower rates, while retaining the possibility of its export, particularly for barley.

According to the results of the first six months, the highest prices for grain formed for Tsentrosoyuz purchases — 203,000 rubles [R] a tonne, average market prices — R196,000, procurement organization prices — R169,000, and barter transactions were carried out at a price of R174,000. In September, as compared with the beginning of the year, purchase prices for grain procured at state resources rose by more than a factor of 2.5. At the very same time, retail prices for bread tripled.

At the same time, purchase prices for wheat purchased at state resources reached R554,000, and for rye — R418,000, which is considerably lower than world prices and higher than guaranteed prices by 13 and 49 percent respectively. In November, the purchase price had already risen to R900,000 per tonne.

Middleman structures, buying up grain in the main regions producing it, offer it for sale at prices close to or barely higher than European Union prices, both on the domestic market and abroad, and moreover, sell it within the country more profitably, for the difference in customs duties (17 percent).

Market Trends in Wholesale and Purchase Prices for Grain and Bread Products (according to data of the Ministry of Agricultural Production)

Wholesale in thousand rubles/t., retail in thous. rubles/kg *

	Guaranteed Prices		Purchase prices for state resources		Sales of OGO firm		Prices per kg of wheat bread	
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail
1995								
January	350	2.4	185	1.5	350	2.4	120	1.1
February	350	2.4	250	1.8	450	3.0	250	1.8

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Wholesale in thousand rubles/t., retail in thous. rubles/kg *								
March	450	3.0	340	2.4	500	3.3	400	2.7
April	450	3.0	450	3.0	550	3.6	500	3.3
May	450	3.0	450	3.0	600	3.8	510	3.4
June	510	3.4	550	3.6	650	4.1	550	3.6
July	510	3.4	400	2.7	730	4.5	600	3.8
August	510	3.4	520	3.5	800	4.9	650	4.1
September	630	3.9	510	3.4	820	5.0	700	4.4
October	630	3.9	550	3.6	860	5.3	750	4.6
November			580	3.7	910	5.6	820	5.0
December					980	6.0	890	5.5

Predictions — 1996: Prices per kg of Wheat Bread

	According to Roskhleboprodukt expert estimates		According to Ministry of Agricultural Production estimates	
	Wholesale	Retail	Wholesale	Retail
January	940	5.7	940	5.7
February	1,010	6.2	940	5.7
March	1,050	7	940	5.7
April	1,110	8	940	5.7
May	1,130	9	940	5.7
June	1,150	10-12	940	5.7

[* Figures approximated from graph in source]

Is There a Chance of Holding Back the Leap?

Well then, what results can be seen for the "battle for the harvest" this year? It is an unequivocal fact that bread will be more expensive throughout the year. It is only a question of how much more, and when. In the opinion of specialists, this will happen in early spring, when this year's harvest will be eaten up. Businessmen, actively buying up grain at the farms right now, count on a price burst.

Is there any chance of the Government's avoiding a sharp leap in prices? Yes, there is. For this, however, feels Anatoliy Lifanchikov, department chief of the Ministry of Economics, there is an urgent need to purchase, through the food corporation, six or seven million tonnes of wheat for the federal fund, which requires R3 trillion. The Government, with its decree, obliged the RF Ministry of Finance to legalize guarantees for commercial banks in exchange for credit resources amounting to R3 trillion. A number of banks in the capital, however, which have still not received from the Federal Food Corporation repayment of the loans allotted earlier, have refused to give loans to the corporation from now on.

For example, in May of this year, the corporation obtained loans at Tveruniversalbank totaling about R250 billion rubles, for a period of three months, and to this day it has not settled these debts. Even the arbitration court did not help. Other banks, even despite the guarantee of the Ministry of Finance, to all appearances, also have no intention of extending credit to the corporation, since the sum of the credit is so great that it cannot count on its being repaid, in case of the insolvency of the corporation itself, from the funds of the federal budget.

It should not be thought, however, that bread will disappear from the shelves or will become catastrophically expensive — the politicians will not let this happen. In the State Duma, on the initiative of the agrarians,

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an official statement was passed on establishing fixed prices for bread before the 1966 harvest. Moreover, the statement conveyed the quite harsh idea that "the state's departure from the grain market will be regarded as a compact with speculators, in the role of which banks and commercial structures are now appearing."

True, Vice-Premier Aleksandr Zaveryuk directed attention to the fact that the document approved by the Duma does not define a mechanism for maintaining fixed prices, and noted that the decision of the lower chamber could be ensured only through the introduction of subsidies. "I can so far see no other way of holding down prices for bread, without halting the rise in prices for energy carriers and material-technical resources for the rural areas," stated Aleksandr Kharlampiyevich.

The misfortune lies only in the fact that the federal budget for 1996 contains not a single word about bread subsidies. Consequently, this places a heavy burden on local budgets, and God alone knows how the oblast administrations will get out of this situation. For the time being, experts predict, contrary to the assurances of the leaders of the Ministry of Agricultural Production, that after the New Year, the retail price per kilogram of baked bread will be R7,000.

***Russia: Report on Socioeconomic Situation as of 18 December**

964E0414A Moscow DELOVOY MIR in Russian 27 Dec 95 p 5

[Unattributed article from RF Goskomstat data: "The Socioeconomic Situation on 18 December"]

[FBIS Translated Text] **Prices for Consumer Goods and Services. In the period from 12 to 18 December, the consumer price index was 100.5 percent, including 100.5 percent for food products, 100.6 percent for nonfood consumer items and 100.3 percent for paid services for the population.**

The greatest rise in prices for consumer goods and services in the past week was recorded in the cities of the Northwestern region (0.7 percent) and the smallest — in those of the Central Chernozem and East Siberian regions (0.4 percent).

The consumer price index is given below:

Consumer Price Index, in percent

	compared to preceding date of price recording			average daily rise in prices	
	4 Dec	11 Dec	18 Dec	December	November
Consumer price index	100.6	100.7	100.5	0.08	0.15
incl. for					
food products:	100.7	100.7	100.5	0.09	0.13
of them					
not counting fruit, vegetable products	100.5	100.5	100.4	0.07	0.11
nonfood consumer items	100.6	100.7	100.5	0.08	0.15
paid services for the population	100.3	100.6	100.3	0.06	0.21

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Since the beginning of the month, the consumer price index has been 101.5 percent, including 101.7 percent for food products, 101.5 percent for nonfood consumer items and 101.5 percent for paid services for the population.

Paid Services for the Population. The dynamics of rates for the basic groups of paid services for the population in the last three weeks are given below:

Dynamics of Rates for Paid Services

	In % of the preceding date of price recording		
	4 Dec	11 Dec	18 Dec
All paid services for the population	100.3	100.6	100.3
incl.			
everyday	101.0	101.2	100.6
passenger transport	100.1	100.6	100.1
communications	102.0	100.2	100.5
housing-municipal	100.0	100.3	100.3
children's preschool institutions	101.4	100.7	100.5
public health	101.1	101.9	100.7

In the period from 12 to 18 December, the most noticeable rise in price was for rent in municipal apartment houses (by 3 percent). The cost of lessons for children in general physical training groups rose by 1.9 percent during the week. Some types of everyday services (shoe repair, sewing women's dresses), intercity telephone communication and some types of public health services rose in price somewhat more than those for other services (by 1.1-1.4 percent). The rates for postal, telephone and telegraph communications, railroad transport, and the cost of tourist-excursion services remained unchanged.

Average Daily Rise in Consumer Prices in 1995 (in percent)

	Average daily consumer price rise	Including		
		food products	nonfood consumer items	paid services for the population
January	0.53	0.63	0.37	0.67
February	0.37	0.35	0.32	0.64
March	0.29	0.27	0.28	0.33
April	0.28	0.24	0.29	0.39
May	0.25	0.27	0.18	0.34
June	0.21	0.24	0.15	0.28
July	0.17	0.14	0.17	0.30
August	0.14	0.09	0.20	0.24
September	0.14	0.09	0.20	0.23
October	0.15	0.11	0.16	0.28
November	0.15	0.13	0.15	0.21
1-18 December	0.08	0.09	0.08	0.06

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Cost of the Basket of the 19 Basic Food Products on the Average for Russia in 1995 (at the end of the period, in rubles per person)

	calculated for the month	Growth rates of cost of basket, %	
		compared to preceding month	compared to December 1994
January	125,944	125	125
February	144,498	115	144
March	157,285	109	156
April	166,403	106	166
May	180,596	109	180
June	195,867	108	195
July	211,177	108	210
August	206,242	98	205
September	205,342	100	204
October	212,314	103	211
November	221,772	104	221
1-18 December	227,357	101	226

List of Russian Cities With Maximum and Minimum Cost of the Basket of the 19 Basic Food Products* (according to conditions on 18 December)

	Cost of basket of 19 basic food products, calculated for a month, in thous. rubles	Change in the cost of the basket from 12 to 18 December, %
Cities with maximum cost of basket		
Yakutsk	494.6	100
Magadan	467.1	99
Petropavlovsk-Kamchatskiy	444.9	102
Yuzhno-Sakhalinsk	394.3	99
Vladivostok	356.8	98
Khabarovsk	334.0	102
Murmansk	298.7	101
Chita	293.9	101
Arkhangelsk	291.3	101
Syktyvkar	279.9	101
Cities with minimum cost of basket		
Saransk	182.7	101
Yoshkar-Ola	182.5	100
Kupetsk	179.7	100
Voronezh	179.7	100
Tambov	175.4	102
Orel	175.3	100
Penza	173.5	100
Kazan	165.3	100
Belgorod	156.7	101
Ulyanovsk	131.4	100

*Capitals of republics included in the Russian Federation, oblast and kray centers.

The cost of the basket of the 19 basic food products in Moscow was 273,300 rubles [R] (101 percent), and in St. Petersburg — R222,800 (100 percent).

Prices for the Basic Material-Technical Resources, Purchased by Industrial Enterprises and Construction Organizations. The growth rate of the average prices for material-technical resources purchased by industrial enterprises in November 1995 was 102 percent, and was the lowest since the beginning of the statistical survey. The rise in prices for finished products in industry was somewhat higher and was 103 percent during the month. On the whole for the 11 months of this year, the tendency remained for the rise in prices for resources for current consumption by industrial enterprises to outstrip the rise in producer prices for finished products (by a factor of 3.1 and 2.7 respectively).

Basic materials purchased by construction organizations rose in price by 6 percent during the past month, which somewhat outstripped the growth rates of producer prices in the building materials industry (4 percent). On the whole for January-November, prices for the basic resources purchased by construction organizations and the building materials produced by industry rose by a factor of 2.7 and 2.6 respectively.

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The following data characterize the change in the average prices for products purchased for production-technical purposes by basic groups of resources in 1995:

Average Prices for Products Purchased for Production-Technical Purposes

	In % of preceding month					November 1995 in % of December 1994
	1st quarter	2d quarter	3d quarter	October	November	
	on the average for the month					
Material-technical resources purchased by industrial enterprises	120	113	106	105	102	311
including						
electric power	115	116	110	103	101	321
heat power	113	123	112	103	100	383
fuel	122	112	105	105	101	311
raw material and materials						
for heavy industry	117	110	106	103	102	271
for light and food industry	117	111	110	105	105	316
building materials, parts and structures for construction organizations	111	110	109	111	104	287
including						
cement	110	113	109	111	104	287
bricks, building	108	111	106	103	103	216

The rates of price change were higher than the average for Russia in the past month for fuel and raw material resources for the oil refining, coal, timber, woodworking and pulp-and-paper industries, and for the production of building materials (103-105 percent). In the sectors producing consumer goods, the growth rate of prices for the basic raw material resources used for current consumption in November of this year remained at the level of the preceding month and was 105 percent.

The proportion of expenditures involved in delivering resources to industrial consumers rose somewhat in November and was 14 percent on the average, and for construction organizations, transport expenses were 12 percent of the price of purchasing the basic resources. The outlay to transport oil, diesel fuel, and furnace residual fuel oil was 10-19 percent last month; the proportion of transport costs in the price of purchasing timber and cellulose occupied 15-18 percent, in the price of lumber and sulfuric acid — 26-27 percent, of cotton fiber and cotton yarn — 2 percent, and margarine products, animal oil and granulated sugar — 3-5 percent.

The main source of material-technical resources for Russian producers is still the domestic market (96 percent of the purchase costs). The differentiation in average prices for some types of material resources

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purchased on Russia's domestic market, for industrial and construction enterprises located in certain regions, is given in the following data:

Differentiation in Average Prices, in Thousand rubles

	Minimum price level	Maximum price level	Reference: average price for Russia
Oil, t,	163	633	390
Coal, power, t	30	300	138
Coal, coking, t	194	400	313
Iron ore, t	120	275	166
Caustic soda, t	370	2,571	1,280
Cotton yarn, single-ply, t	8,157	28,500	17,670
Sugar, granulated, t	2,636	4,680	3,063
Concrete, commercial, cub. m	179	997	301
Brick, construction, thous. pcs of conv. brick	288	7,900	718
Cement, t	146	1,069	238
Glass, window, sq. m	5	39	17

A differentiation is maintained in the dynamics and price levels for products of like sectors of industry purchased on the domestic and foreign markets. The purchase prices for resources coming from the domestic market rose during the month by an average of 2 percent, and for those purchased through import from suppliers in countries of the near and far abroad — by 1 percent and 7 percent respectively. It cost ferrous metallurgy enterprises, purchasing iron ore from suppliers from the near abroad, more by a factor of 1.3 in November than it did to purchase them from Russian suppliers, whereas it was more expensive for the enterprises of this sector to purchase pig iron, and some types of rolled ferrous metals on Russian territory. Prices for some types of pipes purchased by oil-extracting and machine-building enterprises on the Russian market turned out to be higher than the prices for those purchased through import. It was cheaper on the average for light industry enterprises to purchase raw material resources such as linen fiber, natural wool and cotton yarn outside Russia's borders. It cost Russian producers less on the average to import granulated sugar than to purchase it on the domestic market, while it cost somewhat more to obtain animal and vegetable oil and flour through import.

The State of Payments and Settlements at Industrial, Transport, Construction and Agricultural Enterprises. According to conditions on 1 November 1995, the total overdue debt of industrial, transport, construction and agricultural enterprises (creditor indebtedness, debts for bank credit and loans) increased by 7.2 percent over the preceding month, and constituted R227.4 trillion.

Of the total overdue indebtedness, creditor indebtedness accounted for R216.2 trillion (95 percent), indebtedness for bank credit — R9.1 trillion (4 percent) and loans — R2.2 trillion (1 percent).

Overdue creditor indebtedness increased by 7 percent during October and on 1 November 1995 was R216.2 trillion (50 percent of the total volume of creditor indebtedness), overdue incurred debt increased by 3 percent and was R153.1 trillion (46 percent of the total volume of incurred debt).

The amount of overdue creditor indebtedness and incurred debt relative to the GDP is given in the table:

Overdue Creditor Indebtedness and Incurred Debt

	January	March	June	September	October
Overdue creditor indebtedness					
in % of the preceding month	110	106	109	108	107

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	January	March	[illegible]	September	October
in % of the GDP	130	117	115	123	117
Overdue incurred debt					
in % of the preceding month	105	107	107	106	103
in % of the GDP	113	97	90	92	85

Creditor indebtedness overdue for more than three months reached R138 trillion. Its proportion in the total overdue creditor indebtedness rose by 2 percentage points as compared with September, and was 64 percent.

Debt to suppliers accounted for half of the overdue creditor indebtedness in October, debt to the budget — 25 percent, and payments to state non-budgetary funds — 6.5 percent.

Debts for promissory notes issued accounted for 0.1 percent in the structure of overdue debts to suppliers.

The average period for paying off creditor indebtedness remained virtually unchanged during the month, and was 86 days.

Incurred debt overdue for more than three months reached R103.5 trillion. Its proportion in the total overdue incurred debt increased by 2 percentage points as compared with September, and constituted 68 percent.

The debts of purchasers — R133.4 trillion, or 87 percent — accounted for the largest share of overdue incurred debt.

The debts of purchasers to industrial, construction, transport and agricultural enterprises and organizations for promissory notes obtained constituted R0.6 trillion, or 0.4 percent of the overdue debts. The debts for state orders and federal programs constituted R8.7 trillion, or 6.5 percent.

The average period for paying off incurred debt decreased from 72 to 68 days, as compared with September.

In October, the volume of products not paid for by purchasers was the lowest, and constituted 4 percent. In the course of the year, on the average for a month, 14 percent of the products shipped were not paid for.

Indebtedness for Products, Trillion rubles

	Indebtedness of purchasers		Volume of products shipped	Products paid for	Proportion of unpaid-for products in the total volume of products shipped, %
	at the beginning of the month	at the end of the month			
January	123.0	130.9	69.7	61.7	11
March	142.5	158.2	92.5	76.7	17
June	192.9	210.7	132.8	115.0	13
September	243.4	262.8	133.0	113.6	15
October	2[illegible]2.8	268.7	146.5	140.6	4

The following data characterize the solvency of industrial, construction, agriculture and transport enterprises (correlation of monetary assets and overdue debts to suppliers):

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Solvency of Enterprises

	January	March	June	September	October
Monetary assets of enterprises in % of overdue debts to suppliers	19	25	22	17	16
including					
industry	19	26	23	20	18
construction	21	24	29	20	16
agriculture	12	12	13	9	7
transport	20	25	19	11	12

With respect to the sectors surveyed, according to the conditions on 1 November 1995, creditor indebtedness exceeded incurred debt: in industry — by 35 percent, agriculture — by a factor of 2.1, in transport — by 20 percent. In construction, incurred debt exceeded creditor indebtedness by 0.8 percent.

Supplement

Overdue Creditor Indebtedness by Sectors of the Economy on 1 November 1995, Billion rubles

	Number of enterprises having overdue creditor indebtedness	Overdue creditor indebtedness	Including			Of total debts overdue for more than 3 months
			to suppliers	to budget	for payments to state non-budget funds	
Industry	16,335	147,968	69,695	41,460	11,183	90,726
including:						
electric power	301	26,260	17,486	4,654	1,380	18,028
fuel	482	42,915	14,717	18,044	3,989	30,488
of it:						
oil-extracting	63	20,010	4,719	11,785	1,472	15,170
oil-refining	33	4,872	2,486	850	925	3,245
gas	22	8,588	4,038	2,768	758	6,305
coal	276	9,347	3,436	2,613	828	5,713
ferrous metallurgy	223	10,461	6,098	1,916	548	3,693
non-ferrous metallurgy	222	6,025	2,443	1,091	875	3,948
chemical, petrochemical	479	9,347	6,250	1,046	351	4,540
machine building	2,775	26,842	10,444	8,349	2,165	15,184

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			Including			
timber, woodworking, pulp-and-paper	2,398	6,059	2,499	1,609	588	3,563
glass and china-pottery	131	334	194	53	20	211
light	2,020	2,460	1,065	679	226	1,419
food	2,704	4,857	2,527	1,084	291	2,865
Agriculture	24,189	14,042	7,223	1,648	1,024	8,998
Transport	3,937	35,624	26,129	5,340	611	28,779
Construction	10,613	18,534	8,130	5,086	1,263	9,482

Overdue Incurred Debt by Sectors of the Economy on 1 November 1995, Billion rubles

	Number of enterprises having overdue incurred debt	Overdue incurred debt	Including			Of total debts overdue for more than 3 months
			of purchasers	of it, for promissory notes received	of state purchasers for paying for delivered products	
Industry	16,403	104,563	89,611	561	6,458	68,442
including:						
electric power	312	26,428	24,365	34	980	19,531
fuel	465	28,259	23,171	8	2,632	20,479
of it:						
oil-extracting	60	10,702	8,897	1	2,108	8,362
oil-refining	35	4,703	3,976	—	169	3,205
gas	21	7,658	6,603	—	71	5,532
coal	253	5,125	3,634	7	284	3,341
ferrous metallurgy	214	9,382	7,682	1	432	4,077
non-ferrous metallurgy	217	3,569	2,550	5	81	2,438
chemical, petrochemical	491	7,445	6,467	19	281	4,826
machine building	2,693	14,740	12,603	487	1,380	8,091
timber, woodworking, pulp-and-paper	2,282	2,528	2,096	1	65	874
glass, china-pottery	129	199	170	—	2	125
light	1,857	1,355	1,130	1	65	874

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			Including			
food	3,132	3,302	2,891	3	49	2,142
Agriculture	20,563	4,872	4,138	8	453	3,414
Transport	3,967	26,483	24,577	12	155	21,586
Construction	10,300	17,233	15,048	15	1,660	10,053

Excess of Creditor Indebtedness Over Incurred Debt on 1 November 1995, Billion rubles

	Incurred debt	Creditor indebtedness	Excess of creditor indebtedness over incurred debt	
			total	in % of incurred debt
Industry	221,142	297,625	76,483	35
including:				
electric power	43,416	46,150	2,734	6.3
fuel	53,360	73,410	20,050	38
of it:				
oil-extracting	22,445	34,975	12,530	56
oil-refining	11,933	12,242	309	2.6
gas	9,994	11,816	1,822	18
coal	8,849	14,200	5,351	60
ferrous metallurgy	19,670	25,770	6,100	31
non-ferrous metallurgy	10,640	16,234	5,594	53
chemical, petrochemical	17,337	20,975	3,638	21
machine building	35,606	53,571	17,965	50
timber, woodworking, pulp-and-paper	7,011	11,088	4,077	58
glass and china-pottery	472	711	239	51
light	3,542	5,312	1,770	50
food	11,064	15,876	4,812	43
Agriculture	10,879	23,193	12,314	113
Transport	60,056	72,087	12,031	20
Construction	41,770	41,446	324	—

The Amount of Overdue Debt for Wages. The total overdue debt for issuing funds for wages at industrial, construction, transport and agricultural enterprises and organizations on 1 December 1995 was R13,569 billion and had risen by 223 percent, as compared with the start of the year, and by 17 percent as compared with the preceding month.

An increase in the volume of overdue debt occurred in all the sectors under consideration. Of the total increase in overdue debt (R2,001 billion), industrial enterprises accounted for R1,283 billion (64 percent), construction organizations —R307 billion (15 percent), transport enterprises — R293 billion (15 percent) and agricultural enterprises — R118 billion (6 percent).

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Data are given below on the dynamics of the overdue debt for issuing funds for wages:

Overdue Debt for Wages, At the start of the month

	April	July	November	December	December, in % of	
					November	start of the year
Number of enterprises in debt for paying wages, thousand	36.5	36.4	39.8	41.6	104	134
including:						
industry	7.7	7.8	8.9	9.6	107	157
construction	6.3	6.0	6.9	7.4	109	142
agriculture	20.4	20.4	21.6	21.9	101	112
transport	2.1	2.2	2.4	2.7	111	131*
Volume of overdue debt for wages, bln rubles	5,687	6,441	11,568	13,569	117	323
including:						
industry	3,056	3,425	6,145	7,429	121	342
construction	898	1,008	1,722	2,029	118	278
agriculture	1,350	1,525	2,504	2,622	105	202
transport	383	483	1,197	1,489	125	441*
in % of monthly wage fund of enterprises in debt	140	121	124	137		
including:						
industry	121	110	114	130		
construction	151	130	131	143		
agriculture	255	196	181	196		
transport	95	73	99.8	103		
Of total volume of debt for wages, volume overdue for more than 2 months, bln rubles	1,999	1,910	3,197	3,957	124	243*
including:						
industry	939	873	1,593	2,020	127	267*
construction	274	259	458	587	128	215*
agriculture	700	684	978	1,057	108	197*

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					December, in % of	
transport	86	94	168	293	174	493*
In % of total volume of overdue debt	35	30	28	29		
including:						
industry	31	26	26	27		
construction	31	26	27	29		
agriculture	52	45	39	40		
transport	23	20	14	20		

* of February 1995

The data on overdue debt for issuing funds for wages by sectors of industry are given below:

Overdue Debt for Wages by Sectors of Industry, At Start of the Month, in Billion rubles

	April	July	November	December	Reference: overdue debt on the average per worker on 1 December 1995, thous. rubles
Industry	3,056	3,425	6,145	7,429	505
in % of start of the year	141	158	283	342	355
including:					
electric power	162	321	521	660	884
in % of start of year	129	255	413	524	508
oil-extracting	335	248	377	583	1,253
in % of start of year	95	70	107	165	109
Gas (extracting and refining natural and casing-head gas)	103	116	225	263	3,342
in % of start of year	251	283	549	641	573
coal	412	422	745	796	1,543
in % of start of year	156	160	282	302	326
ferrous metallurgy	101	102	278	373	430
in % of start of year	142	144	392	525	526
non-ferrous metallurgy	81	127	390	421	696
in % of start of year	63	99.2	305	329	319

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	April	July	November	December	Reference: overdue debt on the average per worker on 1 December 1995, thous. rubles
chemical, petrochemical	56	63	193	235	240
in % of start of year	127	143	434	534	577
machine building	769	853	1,565	1,809	362
in % of start of year*	114	127	233	269	290
timber, woodworking, pulp-and-paper	220	250	395	507	471
in % of start of year	130	148	234	300	316
building materials production	117	118	202	258	365
in % of start of year	160	162	277	353	362
light	75	115	160	183	183
in % of start of year	153	235	327	373	423
food	165	175	297	359	263
in % of start of year	157	167	283	342	351
of it fishing	115	134	210	249	1,374
in % of start of year*	142	165	259	307	334

* of February 1995

Tyumen Oblast has the largest amount of overdue debt for wages — R1,277 billion, Kemerovo Oblast — R708 billion, Irkutsk Oblast — R490 billion, Yakutia — R484 billion, Tataria — R485 billion, Bashkiria —R470 billion, Chelyabinsk Oblast — R380 billion, Rostov Oblast — R340 billion, Khabarovsk Kray — R309 billion. These regions account for 36 percent of the total volume of overdue debt.

In the republics of Kalmykia, Tuva, Altay, Dagestan, Magadan Oblast, the Aga, Buryat, Koryak and Ust-Orda autonomous okrugs and the Jewish Autonomous Oblast, over half of all the debt has not been paid for over two months.

***Russia: Socioeconomic Situation as of 9 January**

964E0510A Moscow DELOVOY MIR in Russian 19 Jan 96 p 2

[Report based on data of Russian State Committee for Statistics: "Socioeconomic Conditions in Russia on 9 January"]

[FBIS Translated Text] **PRICES OF CONSUMER GOODS AND SERVICES. The consumer price index for the period from 1 to 9 January was 101.1 percent: 101.0 percent for foods, 100.6 percent for non-food items, and 103.1 percent for paid services for the population.**

The highest increases in the prices of consumer goods and services between 1 and 9 January were recorded in the cities of the Northern and Volga economic regions (1.8 percent and 1.7 percent, respectively). The change

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in consumer prices in the Volga-Vyatka, Ural, and West Siberian regions was under 1 percent.

The consumer price index is presented below (in percentages):

Categories	In relation to previous recording date			Average daily rise in prices	
	25 Dec 95	31 Dec 95	9 Jan 96	Jan 96	Dec 95
Consumer price index	101.1	100.6	101.1	0.12	0.10
Foods	100.9	100.9	101.0	0.11	0.11
excluding produce	100.6	100.7	100.7	0.07	0.08
Non-food items	101.1	100.4	100.6	0.06	0.10
Paid services	101.7	100.2	103.1	0.34	0.09

FOODS: The price dynamics for the main groups of foods are presented below (in percentage of prices on previous recording date):

Foods	25 Dec	31 Dec	9 Jan
All foods	100.9	100.9	101.0
Meat and meat products	100.3	100.6	100.5
Fish and fish products	100.9	100.8	100.9
Edible fats	100.5	100.6	100.5
Milk and dairy products	100.7	100.8	101.4
Eggs	102.1	101.7	102.1
Flour	100.4	100.3	100.4
Bread and baked goods	100.4	101.0	101.1
Noodles and cereals	101.1	100.8	100.8
Alcoholic beverages	100.8	100.6	100.6
Produce, including potatoes	103.0	102.5	103.5

Food prices rose at a slightly higher rate than the prices of non-food items between 1 and 9 January this year. The highest increases were recorded in the prices of produce: 5.6 percent for fresh cabbage, 4.1 percent for potatoes, and 3.3-3.9 percent for carrots and apples, and in egg prices—2.1 percent, and the prices of fermented milk products— 1.6 percent. There was virtually no change in the prices of vegetable oil and sugar in the first third of January.

The cost of the group of 19 dietary staples was 1.4 percent higher than it had been on the previous recording date and amounted to an average of R234,800 a month throughout Russia on 9 January. The maximum cost was still being recorded in cities of the Far East, and the minimum cost was recorded in cities of the Volga and Central Chernozem regions. The maximum cost was 3.9 times as high as the minimum cost in Russia's territorial centers. The maximum cost was 2.3 times as high as the minimum cost in cities in the European part of Russia and 2.7 times as high in cities in Siberia and the Far East. The cost of the group did not increase between 1 and 9 January in one-fourth of Russia's territorial centers, but the cost rose 4-8 percent in Arkhangelsk, Chita, Syktyvkar, Blagoveshchensk, Kemerovo, Vladivostok, Voronezh, and Penza.

Non-Food Items: The price dynamics for the main categories of non-food items are presented below (in percentage of the prices on the previous recording date):

Goods	25 Dec	31 Dec	9 Jan
All non-food items	101.1	100.4	100.6
Fabrics	101.3	100.5	100.8
Clothing and linens	—	101.5	100.5

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Goods	25 Dec	31 Dec	9 Jan
Footwear	101.1	100.4	100.5
Tobacco products	100.5	100.2	100.3
Medications and dressings	101.6	100.8	100.6
Fuel	100.9	100.0	101.1
Gasoline	100.0	100.0	100.4
Rugs and carpeting	101.2	100.3	100.4
TV sets and radios	100.7	100.4	100.4

Although the rise in the prices of virtually all of the recorded non-food items was negligible in the beginning of January, there was a perceptible increase in the prices of daily newspapers—5.2 percent. The prices of some types of fuel, clothing, and medications and of lumber and of china and glassware rose 1.2-1.8 percent. The prices of footwear, tobacco products, and television sets and radios rose 0.3-0.5 percent.

PAID SERVICES: The price dynamics for the main groups of paid services are presented below (in percentage of the prices on the previous recording date):

Services	25 Dec	31 Dec	9 Jan
All paid services	101.7	100.2	103.1
Personal services	101.3	100.4	101.0
Passenger transport	104.9	100.1	102.5
Communications	100.0	100.7	103.4
Housing and utilities	100.1	100.0	103.7
Child care	101.4	100.1	103.7
Health care	101.9	100.2	101.3

The cost of paid services rose at a much higher rate than the cost of goods between 1 and 9 January. The highest increases were in the cost of commuter train fares (9.4 percent), the services of health resorts and therapeutic institutions (7.6 percent), and hot water rates (7.4 percent). Rents in municipal housing rose 5.1 percent, and fees for heat and inter-urban telephone calls rose 4.2-4.7 percent. There was virtually no change in the cost of postal and telegraph services and in the service fees of travel agencies and banks.

Average Daily Increase in Consumer Prices in 1995-96 (in percentages)

Months	Average daily increase, total	Foods	Non-food items	Services
January	0.53	0.63	0.37	0.67
February	0.37	0.35	0.32	0.64
March	0.29	0.27	0.28	0.33
April	0.28	0.24	0.29	0.39
May	0.25	0.27	0.18	0.24
June	0.21	0.24	0.15	0.28

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Months	Average daily increase, total	Foods	Non-food items	Services
July	0.17	0.14	0.17	0.30
August	0.14	0.09	0.20	0.24
September	0.14	0.09	0.20	0.23
October	0.15	0.11	0.16	0.28
November	0.15	0.13	0.15	0.21
December	0.10	0.11	0.10	0.09
1-9 January 96	0.12	0.11	0.06	0.34

Consumer Price Index in Economic Regions of Russia on 9 Jan 96 (in % of previous recording date)

Regions	Consumer price index	Foods	Non-food items	Services
Russia	101.1	101.0	100.6	103.1
Northern	101.8	101.1	100.4	108.0
Northwestern	101.6	100.8	100.6	107.1
Central	101.0	100.9	100.4	103.1
Volga-Vyatka	100.9	101.0	100.6	101.4
Central Chernozem	101.2	101.2	100.7	102.9
Volga	101.7	101.0	100.6	107.4
North Caucasus	101.2	101.2	100.6	103.0
Urals	100.9	100.9	100.5	101.9
West Siberian	100.9	101.0	100.6	101.3
East Siberian	101.2	101.0	101.2	102.0
Far Eastern	101.3	101.1	100.8	103.3

Average Cost of Group of 19 Dietary Staples in Russia in 1995-96 (at end of period, in rubles per person)

Months	Cost per month	Increase since previous month, %	Increase since Dec 94, %
January	125,944	125	125
February	144,498	115	144
March	157,285	109	156
April	166,403	106	166
May	180,596	109	180
June	195,867	108	195
July	211,177	108	210
August	206,242	98	205
September	205,342	100	204
October	212,314	103	211
November	221,772	104	221
December	231,454	104	230
9 January 96	234,752	101	234

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List of Russian Cities with Maximum and Minimum Costs of the Group of 19 Dietary Staples on 9 January (capitals of republics belonging to Russian Federation and oblast and kray centers)

Cities	Monthly cost, in thousands of rubles	Change in cost between 1 and 9 Jan, %
Cities with maximum cost		
Yakutsk	524.1	103
Magadan	482.5	103
Petropavlovsk-Kamchatskiy	445.8	100
Yuzhno-Sakhalinsk	396.7	100
Vladivostok	382.5	103
Khabarovsk	340.0	100
Chita	317.8	105
Arkhangelsk	308.3	105
Murmansk	304.3	102
Cities with minimum cost		
Saransk	188.4	102
Rostov-na-Donu	186.5	100
Yoshkar-Ola	184.6	101
Penza	182.9	105
Cheboksary	181.2	99
Orel	180.4	101
Tambov	179.2	101
Kazan	168.5	101
Belgorod	162.9	101
Ulyanovsk	133.2	101

The cost of the group of 19 dietary staples in Moscow was R279,000 (101 percent) and the cost in St. Petersburg was R226,000 (100 percent).

PRODUCER PRICES OF MANUFACTURED GOODS: The increase in the producer prices of manufactured goods in December 1995 was 2 percent, which was the lowest monthly indicator since July 1991. Producer prices rose 13 percent in December 1994.

The rise in producer prices since the beginning of 1995 was 275 percent, and the rise in the prices of goods and services in the consumer market was 231 percent (the figures for the same period in 1994 were 333 percent and 315 percent respectively).

The producer prices of the means of production were still rising at a higher rate in December this year, as illustrated by the following data:

Categories	Monthly average				In % of previous month		Dec 95 in % of Dec 94
	1st quarter	2d quarter	3d quarter	4th quarter	November	December	
Industry	117	110	107	103	103	102	275
Means of production	117	111	107	105	104	103	311
Intermediate goods	117	111	107	102	102	101	280
Consumer goods	115	106	106	103	103	102	232

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The changes in the producer prices of goods in specific branches of industry are presented below:

Branches of industry	Monthly average				In % of previous month		Dec 95 in % of Dec 94
	1st quarter	2d quarter	3d quarter	4th quarter	November	December	
Electrical power engineering	112	115	110	101	100	100	299
Fuel industry	120	109	105	103	103	100	287
Ferrous metallurgy	117	110	108	103	103	102	285
Nonferrous metallurgy	117	107	103	102	99	102	221
Chemical industry	117	112	105	102	102	102	268
Petrochemical industry	115	112	106	102	101	102	267
Machine building	116	110	106	104	104	102	278
Timber, woodworking, and pulp and paper industry	117	110	105	103	102	104	274
Construction materials production	113	111	107	104	104	103	271
Light industry	114	110	106	104	104	103	263
Food industry	116	107	107	103	102	102	256

The highest increases in producer prices in January-December were recorded in electrical power engineering—three times, and in the fuel industry and ferrous metallurgy—2.9 times.

Average prices per tonne at the end of December were R282,000 for oil, R756,000 for gasoline, R640,000 for diesel fuel, and R284,000 for fuel oil. Electricity rates for all categories of consumers averaged R163 per kilowatt-hour.

Appendix

Change in Producer Prices for Certain Products of Industry

Products	Monthly average				In % of previous month		Dec 95 in % of Dec 94
	1st quarter	2d quarter	3d quarter	4th quarter	November	December	
Electricity	113	113	110	101	100	100	286
Oil	118	110	108	102	101	101	282
Coal	122	105	104	105	102	101	274

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	Monthly average				In % of previous month		
Gasoline	123	110	103	104	103	99	302
Diesel fuel	124	110	103	102	102	99	294
Graded rolled stock	119	110	110	103	105	102	327
Sheet metal	118	109	106	101	101	101	259
Steel pipe	122	110	107	103	103	102	325
Aluminum	117	106	102	99	99	99	198
Copper	110	108	102	100	100	100	175
Mineral fertilizers	117	113	106	102	102	102	290
Synthetic resins and plastics	117	110	104	101	101	101	243
Chemical fiber and filament	120	110	104	102	102	102	269
Synthetic rubber	113	115	105	101	101	101	261
Vehicle tires	114	110	109	105	103	103	295
a/c electric motors	114	111	104	100	100	100	227
Low-voltage electrical equipment	112	107	108	105	104	102	258
Metal-cutting lathes	113	113	106	107	106	103	299
Passenger cars	112	106	106	102	105	100	200
Trucks	119	110	107	104	104	105	303
Tractors	122	116	106	105	100	104	388
Grain combines	110	113	111	110	100	100	323
Excavators	122	115	104	103	105	102	351
Television sets	113	102	105	102	101	103	183
Refrigerator-freezers	115	106	107	106	104	102	264
Washing machines	116	111	106	106	106	105	296
Cement	114	113	107	104	103	102	294
Asbestos cement (slate) sheet	114	110	108	102	101	102	266
Prefab reinforced concrete structures and items	115	111	105	104	103	102	272

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	Monthly average				In % of previous month		
Building brick	111	111	108	103	103	101	252
Building glass	113	108	109	108	108	104	290
Lumber	117	108	105	107	106	103	280
Paper	121	112	105	102	102	100	303
Furniture	112	105	107	104	103	105	230
Cotton fabrics	116	112	104	102	102	102	262
Linen fabrics	117	107	105	105	110	102	253
Woolen fabrics	115	113	108	105	107	101	311
Silk fabrics	117	110	107	102	101	101	271
Knitwear	112	109	106	104	102	103	237
Hosiery	111	109	105	102	103	101	219
Footwear	110	109	107	104	102	101	236
Granulated sugar	112	107	109	98	96	95	209
Bread and baked goods made of top- and high-grade wheat flour	111	111	110	105	106	101	324
Sunflower oil	112	102	106	107	97	94	218
Beef	125	106	104	102	100	100	264
Sausage	116	108	103	101	101	100	221
Whole milk	124	103	103	106	109	103	264
Butter	125	96	101	103	102	102	187
High-fat cheese	128	103	99	105	104	110	238
Frozen fish	116	106	106	102	100	105	232
All types of cereals	114	112	113	105	101	100	342

CONSUMER MARKET: The consumer market was in a state of constant balance throughout 1995, with the availability of goods at a high level and with a steady supply of commodity stocks.

Retail commodity turnover, including food service, amounted to R553 trillion in 1995, which was 2.6 times as high as the figure for 1994. The amount of goods sold to the population during this period was 7 percent smaller. The physical volume of retail commodity turnover in December 1995 was 7 percent greater than in November.

The following data illustrate changes in total retail commodity turnover in constant prices:

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Categories	1995, trillions of rubles	In % of 1994	Dec 1995 in % of:		In % of same period in 1994			
			Nov 1995	Dec 1994	1st quarter	2d quarter	3d quarter	4th quarter
Total retail commodity turnover	553	93	107	97	90	94	91	95
trade enterprises	404	91	106	94	89	92	88	93
dry goods, combination, and food markets	149	98	110	104	92	100	96	102

Trade in the markets was livelier than at trade enterprises in the past year, just as it had been in 1994. Goods sold in these markets represented 27 percent of all retail commodity turnover in 1995, as compared to 26 percent in 1994. At this time the markets account for the following percentages of purchases by the population—76 percent for clothing, 61 percent for footwear, 68 percent for knitwear, 44 percent for fruit, 30-34 percent for meat, vegetable oil, vegetables, and potatoes, 14-21 percent for butter and eggs, and 6-9 percent for sausage, sugar, and confectionery.

The following data illustrate the dynamics of retail commodity turnover (in percentages):

Periods	In relation to previous month		In relation to same period in 1994	
	Retail trade	Food service	Retail trade	Food service
January	82	73	97	81
February	94	98	91	79
March	107	108	84	74
1st quarter			90	76
April	95	112	86	84
May	109	89	100	82
June	100	101	95	78
2d quarter			94	81
1st half			92	79
July	100	100.3	91	86
August	103	86	90	71
September	100.1	115	90	71
3d quarter			91	74
Jan-Sep			92	77
October	102	103	92	74
November	100	93	97	76
December	107	100	97	76
4th quarter			95	76

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	In relation to previous month		In relation to same period in 1994	
2d half			93	75
1995			93	76

Non-food items were still the prevailing element **in the macrostructure of retail commodity turnover** in the past year, but the proportional amount was lower than in 1994 because of a slight drop in effective demand.

In 1995 the population bought **food products** for R264 trillion and **non-food items** for R289 trillion, 10 percent and 5 percent less, respectively, than in 1994 in terms of physical volume. In December the index of the physical volume of retail commodity turnover in food sales was 106 percent in relation to November, and the index for non-food items was 107 percent. Sales of foods were 1 percent lower than in December 1994, and sales of non-food items were 6 percent lower.

The dynamics of the retail trade in foods and non-food items are presented below (in constant prices):

	Foods, in % of:		Non-food items, in % of:	
Periods	Previous month	Same period in 1994	Previous month	Same period in 1994
January	78	94	85	99
February	98	94	90	89
March	110	86	105	82
1st quarter		91		89
April	94	82	95	90
May	107	91	111	107
June	99	88	101	101
2d quarter		87		99
1st half		89		95
July	99.6	85	100.4	97
August	105	84	102	94
September	103	85	98	94
3d quarter		85		95
January-September		87		95
October	103	92	102	92
November	100.1	95	100	98
December	106	99	107	94
4th quarter		96		95
2d half		91		95
1995		90		95

The **availability of the main foods and non-food items** (the indicator of availability is the number of stores offering the items for sale on the recording date in relation to the total number of surveyed stores selling these items) was 15 percent higher in December than in January 1995 (and from 1.5 to 2.1 times as high for some food products) and 3 percent higher in December than in November 1995. The following data illustrate the dynamics in 1995 (in percentages):

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Products	January	March	June	September	November	December
Foods						
Beef	41	45	45	50	55	55
Butter	54	75	81	81	82	82
Vegetable oil	69	74	73	61	79	83
Eggs	58	68	65	65	59	62
Sugar	60	70	68	75	83	85
Non-food items						
Men's jackets	68	65	60	63	68	69
Men's suits	52	54	57	58	59	59
Women's fall coats	56	56	50	54	57	57
Men's shoes	59	59	62	65	68	68
Women's fall boots	74	71	53	60	66	64

The availability of goods in stores rose during the last month in 40 regions, dropped in 22, and stayed the same in the rest. The indicator rose 18 percent during this period in the Republic of Kalmykia—Khalmg Tangch, and 5-10 percent in the Altay Republic and in Tula, Ivanovo, Tyumen, Kamchatka, and Sakhalin Oblasts; it dropped 5-8 percent in the Republics of Karelia and Udmurtia and in Amur Oblast, and 10 percent in the Republic of Khakassia.

***Russia: Socioeconomic Situation as of 15 January**

964E0552A Moscow DELOVOY MIR in Russian 31 Jan 96 p 4

[Report from RF Goskomstat data: "The Socio-Economic Situation on 15 January"]

[FBIS Translated Text] **Prices for Consumer Goods and Services.**

In the period from 10 to 15 January:

The consumer price index was 100.9 percent;

The rise in rates for paid services for the population outstripped the changes in prices for food products and non-food consumer items;

The average cost of the basket of the 19 basic food products, calculated for the month, was 237,300 rubles [R], which is 1.1 percent more than the preceding recording.

The Consumer Price Index

In percent

	As Compared with the recording date			Average daily rise in prices	
	31 Dec 1995	9 Jan 1996	15 Jan 1996	January 1996	December 1995
Consumer price index	100.6	101.1	100.9	0.14	0.10
incl. for:					
food products	100.9	101.0	100.9	0.12	0.11

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In percent					
of them: not counting fruit, vegetable products	100.7	100.7	100.6	0.08	0.08
non-food consumer items	100.4	100.6	100.6	0.08	0.10
paid services for the population	100.2	103.1	101.8	0.32	0.09

The greatest rise in prices for consumer goods and paid services during the period from 10 to 15 January was recorded in the cities of the Volga area (by 2.2 percent). Consumer prices changed least (by 0.4 percent) in the cities of the Northwestern region.

From the beginning of the month, the consumer price index was 102.1 percent, including 101.9 percent for food products, 101.2 percent for non-food consumer items, and 104.9 percent for paid services for the population.

Food Products.

The Dynamics of Prices for the Basic Food Product Groups

	In % of preceding price-recording date		
	31 Dec	9 Jan	15 Jan
All food products	100.9	101.0	100.9
incl:			
meat and meat products	100.6	100.5	100.5
fish and fish products	100.8	100.9	100.8
edible fats	100.6	100.5	100.5
milk and milk products	100.8	101.4	100.7
eggs	100.7	102.1	101.7
flour	100.3	100.4	100.5
bread and bread products	101.0	101.1	100.6
macaroni-cereal products	100.8	100.8	100.7
alcoholic beverages	100.6	100.6	100.9
fruits/ vegetable products, incl. potatoes	102.5	103.5	103.2

In the period from 10 to 15 January of this year, the growth rates of food prices were somewhat higher than for non-food consumer items. The greatest rise in prices was recorded for fresh cabbage — by 3.8 percent, root plants, potatoes and apples — by 2.6-3.5 percent, and eggs — by 1.7 percent. Prices for vegetable oil and sugar remained virtually unchanged in the first half of January.

The cost of the basket of the 19 basic food products, on the average for Russia, according to conditions on 15 January of this year, was R273,300, calculated for the month, and increased by 1.1 percent over the preceding recording. The maximum cost of the basket was maintained in the cities of the Far East, and the minimum — in the cities of the Volga and Central-Chernozem areas. The differentiation between the maximum and minimum cost of the basket in the territorial centers of Russia was a factor of 4. At the same time, the gap in the cost of the basket between the cities of the European part of Russia was a factor of 2.3, and between the cities of Siberia and the Far East — a factor of 2.7. In one-third of the territorial centers of Russia, the cost of the basket during the period from 10 to 15 January hardly increased. At the same time, the basket cost 5.3 percent more in Cheboksary, and 3-3.7 percent more in Bryansk, Astrakhan and Volgograd.

Non-Food Consumer Items.

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The Dynamics of Prices for the Basic Groups of Non-Food Consumer Items

	In % of preceding price-recording date		
	31 Dec	9 Jan	15 Jan
All non-food commodity items	100.4	100.6	100.6
incl:			
fabrics	100.5	100.8	100.6
clothing and underwear	100.5	100.7	100.8
footwear	100.4	100.5	100.5
tobacco items	100.2	100.3	100.1
medicines and bandaging materials	100.8	100.6	100.8
fuel	100.0	101.1	101.1
motor vehicle gasoline	100.0	100.4	100.1
carpets and carpet items	100.3	100.4	100.5
radio/ television items	100.4	100.4	100.6

In the period from 10 to 15 January, prices rose most noticeably for newspaper publications — by 2.5 percent (from the beginning of the month the rise in prices for them was maximum and was almost 8 percent), dishes — by 1.2-1.4 percent, fuel for the population — by 1.1 percent. The prices for gasoline and tobacco items remained virtually unchanged in January (by 0.2-0.4 percent).

Paid Services for the Population.

The Dynamics of Rates for the Basic Groups of Paid Services

	In % of preceding price-recording date		
	31 Dec	9 Jan	15 Jan
All paid services for the population	100.2	103.1	101.8
incl:			
everyday	100.4	101.0	100.9
passenger transport	100.1	102.5	101.5
communications	100.7	103.4	101.4
housing and municipal services	100.0	103.7	102.7
children's pre-school institutions	100.1	103.7	101.0
public health	100.2	101.3	101.1

In the period from 10 to 15 January, rates for housing and municipal services changed to the greatest degree (by 2.7 percent), including a 5.8-percent rise in the apartment rent for available municipal housing, and a 3.2-3.7-percent rise in the fees for heating, water supply and sewerage. Travel on a city motorbus and trolleybus rose in price by 2.6-2.7 percent, the fee for using home telephones — by 1.8 percent. The rates for postal and telegraph communication services, tourist services and the services of banking institutions remained virtually unchanged.

In the period from 10 to 15 January, the rates for paid services for the population increased most in the Volga area (by 8.0 percent).

Index of Consumer Prices by Economic Regions of Russia on 15 January 1996 (In percent of preceding price-recording date)

Regions	Consumer price index	including:		
		Food products	Non-food consumer items	Paid services for the population
On the whole for Russia	100.9	100.9	100.6	101.8
incl:				

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		Including:		
Northern	100.8	100.8	100.5	101.0
Northwestern	100.4	100.7	101.0	98.1
Central	100.6	100.7	100.5	100.7
Volga-Vyatka	101.2	101.4	100.7	101.5
Central Chernozem	101.2	101.4	100.8	101.3
Volga	102.2	101.4	100.9	108.0
North Caucasus	100.8	100.7	100.5	101.9
Urals	100.9	101.1	100.6	101.0
West Siberian	101.1	100.9	100.9	102.6
East Siberian	100.6	100.7	100.5	100.4
Far Eastern	101.0	100.7	100.8	102.7

List of Russian Cities With Maximum and Minimum Cost of Basket of 19 Basic Food Products* (according to conditions on 15 January)

	Cost of basket of 19 basic food products, calculated for the month, thous. rubles	Change in cost of basket from 1 to 15 January, in %
Cities with maximum cost of basket		
Yakutsk	529.4	101
Magadan	485.3	101
Petropavlovsk-Kamchatskiy	451.4	101
Yuzhno-Sakhalinsk	404.3	102
Vladivostok	381.8	100
Khabarovsk	338.2	100
Chita	318.0	100
Murmansk	311.7	102
Arkhangelsk	309.9	101
Syktyvkar	309.0	102
Cities with minimum cost of basket		
Izhevsk	190.2	100
Saransk	188.7	100
Rostov-on-Don	187.7	101
Penza	186.5	102
Yoshkar-Ola	185.1	100
Tambov	181.7	101
Orel	181.0	100
Kazan	169.2	100
Belgorod	166.0	102
Ulyanovsk	133.7	100

*Capitals of republics included in Russian Federation, oblast and kray centers

The cost of the basket of the 19 basic food products was R280,700 in Moscow (101 percent) and R227,500 in St. Petersburg (101 percent).

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Leading Cities (Territorial Centers) With Maximum and Minimum Prices and Rates for Individual Goods and Services (on 22 January)

	Unit of measurement	Maximum price		Minimum price	
		cities	rubles	cities	rubles
Beef	1 kg	Anadyr	29,800	Ulyanovsk	7,300
Pasteurized milk	1 liter	Anadyr	12,850	Ulyanovsk	972
Eggs	10 pcs	Anadyr	18,000	Ulyanovsk	3,450
Sugar, granulated	1 kg	Anadyr	8,000	Voronezh	3,170
Bread and bread products made of wheat flour grades 1 and 2	1 kg	Syktyvkar	6,500	Vladikavkaz	1,333
Cotton fabrics	1 m	Yakutsk	14,500	Yaroslavl	4,240
Filter-tipped cigarettes, domestic	1 pack	Chelyabinsk	3,400	Tyumen	790
Filter-tipped cigarettes, imported	1 pack	Anadyr	7,000	Petrozavodsk	1,250
Analgesics, domestic	1 package	Irkutsk	22,375	Khabarovsk	518
Travel on a city bus	1 trip	Petropavlovsk-Kamchatskiy	2,000	Orel	200
Rent for apartment in available municipal housing	1 sq. m of living area	Kazan	990	Ulyanovsk	30
Electric power	100 kW-hrs	Petropavlovsk-Kamchatskiy	24,000	Kazan	1,200
Gas, network	per person	Tomsk	6,000	Tver	160
Municipal kindergarten, day nursery	1 day's attendance	Murmansk	6,800	Bryansk	1,200

Enterprise Prices. In the course of 1995, a gradual slow down of the growth rates of prices was achieved in the production sector of the economy. In the course of the year, the monthly growth rates of producer prices for industrial products dropped from 22 percent in January to 2 percent in December, and the actual prices in capital construction — from 17 percent to 6 percent respectively, and while transport rates rose by 12 percent in January, they rose hardly at all in December. Among the conditions providing the slow down of the rise in prices were the government measures taken for state price regulation, particularly on products of the fuel-energy sectors and railroad tariffs for freight transport.

The rise in producer-enterprise prices for industrial products lessened noticeably in 1995, as compared with the preceding years. While in 1992, the average monthly rise in prices was 34 percent, in 1993 — 21 percent and in 1994 — 11 percent, in 1995 it was 9 percent. In November and December 1995, prices increased by 3 percent and 2 percent respectively, which constituted the minimum monthly amount for the period from July 1991.

On the whole for January-December 1995, producer prices rose by a factor of 2.8 (in the same period of 1994 — by a factor of 3.3).

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The Change in Prices in Individual Sectors of Industry in the Course of 1995

	In % of preceding month		On average for the month, %				December 1995 in % of December 1994	Reference: December 1994 in % of December 1993
	November	December	1st quarter	2d quarter	3d quarter	4th quarter		
Electric power	100	100	112	115	110	101	299	329
Fuel	103	100	120	109	105	103	287	301
Ferrous metallurgy	103	102	117	110	108	103	285	342
Non-ferrous metallurgy	99	102	117	107	103	102	221	396
Chemical and petro-chemical	102	102	116	112	105	102	267	361
Machine-building	104	102	116	110	106	104	278	330
Timber, woodwork-ing and pulp and paper	102	104	117	110	105	103	274	371
Building materials industry	104	103	113	111	107	104	271	312
Light	104	103	114	110	106	104	263	341
Food	102	102	116	107	107	103	256	308

The slow down in the growth rates of prices was also observed for groups of industrial products classified according to the end purpose.

In January-December 1995, the producer prices for means of production rose by outstripping rates, as compared with goods for intermediate purposes and consumer goods:

	In % of preceding month		On average for the month, %				December 1995 in % of December 1994
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	
Industry	103	102	117	110	107	103	275
incl.:							
means of production	104	103	117	111	107	105	311

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	In % of preceding month		On average for the month, %				
intermediate goods	102	101	117	111	107	102	280
consumer goods	103	102	115	106	106	103	232

In 1995, prices for the products of the **fuel-energy complex** increased in larger amounts (by a factor of 2.9) than in other sectors of industry, mainly because of the accelerated rise in the rates for electric power and the prices for products of the oil-refining industry (by a factor of 3). At the same time, the growth rates of prices fell gradually in the course of 1995, which can be seen from the data given below:

The Average Weekly Dynamics of Prices for the Basic Energy Resources

In percent

	Energy resources	Including		
		Raw energy resources	oil products	electric power
January	105.7	107.0	107.1	103.7
February	102.8	103.1	102.5	102.5
March	102.5	102.5	104.8	101.1
April	103.1	102.2	102.6	104.3
May	102.1	101.0	102.2	103.2
June	101.2	101.5	100.6	101.1
July	101.9	101.6	100.8	102.8
August	102.0	101.6	100.9	102.9
September	101.2	101.1	100.6	101.5
October	100.8	100.9	101.0	100.6
November	100.2	100.5	100.4	100.0
December	100.0	100.0	100.0	100.0

The Level and Dynamics of the Average Producer Prices for Certain Types of Energy Resources in 1995

	Average price (at end of month), thous. rubles/t				Reference: correlation of average producer prices with price of oil, %		
	January	November	December	December 1995 in % of December 1994	January	November	December
Oil	122	282	282	282	100	100	100
Motor vehicle gasoline	352	751	756	302	289	266	268
Diesel fuel	315	635	640	294	259	225	227

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	Average price (at end of month), thous. rubles/t				Reference: correlation of average producer prices with price of oil, %		
Residual fuel oil	158	281	284	282	130	100	101
Coal, power	39	75	71	278	32	27	25
Coal, coking	74	119	120	261	61	42	43
Natural gas per thous. cub. m	6.9	17.2	17.6	263	6	6	6
Electric power per thous. kW-hrs	70	163	163	286	57	58	58

In the **gas industry,** the prices rose by 3.8 percent in December, including: the prices for natural gas at gas-extracting enterprises increased by 2.7 percent, and for helium — by a factor of 2.8, which affected the overall rise in prices for the month in the gas industry.

Since the beginning of the year, the rise in prices in the gas industry, including the price for natural gas, constituted a factor of 2.6.

In **metallurgy,** in December 1995, a virtually identical rise in prices was observed for ferrous and non-ferrous metals — by 1.5 percent and 1.8 percent respectively. On the whole for January-December, however, the rise in prices for these types of products occurred with a different degree of intensiveness and was by a factor of 2.9 and 2.2 respectively.

In non-ferrous metallurgy, the prices for the basic types of products approached the level of prices on the world markets, and in a number of cases exceeded them.

The relatively low rates of rise in prices in the **chemical and petrochemical industry** which took shape in the last few months of the year was maintained in December — 2 percent. In the course of the month, the prices for apatite concentrate, soda ash and synthetic fibers remained virtually unchanged; they rose by 2 percent for mineral fertilizers and chemical fibers and filaments; by 5-6 percent for caprolactam and rubberized footwear; and by almost 8 percent for passenger vehicle tires and acetone. On the whole for last year, prices for the sector's products increased by a factor of 2.7.

In **machine-building,** in December 1995, the rise in prices did not exceed their increase for industry as a whole, and was 2 percent. Prices for diesel building and railroad machine-building products rose slightly more than the average for the sector — by 4-5 percent. On the whole for 1995, prices in machine-building rose by a factor of 2.8.

The rise in prices for the products of the **building materials industry** in December 1995 slowed down as compared with the preceding months, and was 3 percent. The growth rates of prices for the sector's goods, according to the results for the year, were, on the whole, virtually at the level formed on the whole for industrial production. At the same time, the active development of housing construction, particularly individual, initiated a stable demand for some types of building materials and affected the price dynamics. The rise in prices for items was most considerable in soft roofing materials (by a factor of 3.2), the cement industry and the lime, gypsum and binding materials industry (factor of 2.9).

In the **light industry,** prices increased by 3 percent in December, and by a factor of 2.6 since the beginning of the year, and the increase was in many ways dictated by the demand restrictions for the sector's products, stemming from the stiff competition from imported goods. The level of prices for individual goods was limited by the lower price of analogous goods arriving on the consumer market from the near and far abroad, and, as a result, the prices for them rose less than the average for the sector (women's tights, carpets and carpet items, hosiery items, and knitted items rose in price during the year by a factor of 1.7-2.4). Prices rose faster for goods experiencing less pressure from foreign competition. In 1995, prices rose by a factor of 3.1-4.0 for the production of woolen fabrics, tulle-curtain items, Russian leather goods and natural wool.

In the **food industry,** the change in prices was least in December 1995, and was 2 percent. On the whole for the year, prices in the food industry rose by a factor of 2.6.

The change in prices in various sub-sectors of the food industry this year was dissimilar. Given the relatively moderate growth rates of prices in the sugar, confectionery, winemaking and oil-and-fat products industry

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(by a factor of 1.9-2.2), as well as in the dairy, oil and cheesemaking and fishing industry (by a factor of 2.3), high rates of increase were observed in the prices for the sector's products that were connected with grain crop processing: in the milling and hulling, alcohol and bakery industry (by a factor of 3.3-3.7).

Data Characterizing the Change in Prices for Material-Technical Resources Purchased by Industrial Enterprises in 1995

	In % of preceding month		On the average for the month, %				December 1995 in % of December 1994	Reference: December 1994 in % of December 1993
	November	December	1st quarter	2d quarter	3d quarter	4th quarter		
Material-technical resources purchased by industrial enterprises	102	101	120	113	106	102	314	305
electric power	101	100	115	116	110	102	322	251
thermal power	100	100	113	123	112	101	383	412
fuel	101	100	122	112	105	102	312	297
raw material and materials for heavy industry	102	102	117	110	106	103	276	371
for light and food industries	106	102	117	111	110	104	322	374

In 1995, the outstripping rise in prices for material-technical resources purchased by industrial enterprises was retained (by a factor of 3.1), as compared with the increase in prices for the finished goods produced (factor of 2.8). In some months of the 1st half-year of 1995, the gap in the rise in prices for resources and finished products purchased was 4 percentage points (in January, March and May). In the 3d quarter, the change in prices for resources occurred at virtually the same rates as for finished products. In the 4th quarter, however, the rates of the change in prices for resources purchased by enterprises were lower than the rise in prices for finished industrial products.

Data on the Level and Correlations of Average Prices Formed by the End of the Year for the Producers of Goods and Their Consumers (thous. rubles per tonne)

	Production price	Purchasing price	Correlation of prices, factors
Oil	282	392	1.4
Coal, power	71	123	1.7
Motor vehicle gasoline	756	1,734	2.3
Diesel fuel	640	1,224	1.9
Iron ore	80	167	2.1
Apatite concentrate	154	312	2.0

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	Production price	Purchasing price	Correlation of prices, factors
Soda ash	532	749	1.4
Construction brick, thous. pcs. std. brick	418	724	1.7
Cement	170	266	1.6
Linoleum, sq. m	20	36	1.8

The essential difference between producer prices and purchasing prices was caused by the transport and supply-sales costs, tax components and certain other added charges.

The proportion of the transport component in the cost of purchasing material-technical resources in December was, for industrial enterprises, an average of 14 percent, including transport costs within the price of purchasing power coal, which constituted 37 percent, of coke — 32 percent, of coking coal — 29 percent, commercial timber —26 percent, iron ore — 24 percent, and oil and diesel fuel — 10-11 percent.

The considerable regional differentiation in price for similar material resources purchased by enterprises on the domestic market remained in December, which can be seen from the following data:

Thous. rubles per tonne

	Minimum price level	Maximum price level	Reference: average price for Russia
Oil	337	635	392
Coal, power	32	346	135
Coal for coking	192	399	333
Iron ore	115	226	162
Caustic soda	459	2,022	1,285
Cotton thread, single-ply	9,867	28,500	17,617
Sugar, granulated	2,403	4,656	2,892

Throughout 1995, the trend was maintained of domestic prices approaching and even exceeding world market prices for some types of industrial products.

The Correlation of Domestic Prices for Material-Technical Resources Purchased by Enterprises and the Prices for the Analogous Products on World Markets in 1995 (in percent)

	December 1994	March	June	September	December
Oil	30	39	52	62	62
Motor vehicle gasoline	79	106	148	178	205
Steel, construction, merchant shapes	78	78	104	172	156
Aluminum, primary, incl. alumin	58	71	95	103	110
Propylene	65	55	92	97	174
Timber	20	25	27	37	55
Wool, natural	10	16	26	37	43
Oil, vegetable	100	92	103	141	131

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Prices for agricultural products purchased for state needs, on the average for 1995 (as compared with 1994), rose by a factor of 3.6 (in 1994 — by a factor of 3.0), including by a factor of 2.7 (factor of 2.8) for the products of plant-growing and by a factor of 4.0 (3.1) of livestock-breeding.

The average purchase price formed for wheat in January-December 1995 was R518,000 per tonne, which was higher than the 1994 level by a factor of 3.2, and respectively, for sugar beets — R156,000 (factor of 2.6), sunflower seeds — R1,146,000 (factor of 3.5), potatoes — R941,000 (factor of 3.0), cabbage — R1,068,000 (factor of 2.3), red beets —R1,005,000 (factor of 2.7), and carrots — R1,097,000 (factor of 2.5).

In December 1995, prices for livestock-breeding products rose by 5.0 percent (in November — by 9.0 percent). Prices for livestock and poultry rose by 2.8 percent (in November — by 2.1 percent), for milk —by 6.2 percent (5.8 percent) and for eggs — by 8.6 percent (15.6 percent).

Since the beginning of the year, as compared with December 1994, prices for livestock-breeding products purchased for the federal and regional funds increased by a factor of 2.4.

Data Characterizing the 1995 Level of Prices for the Basic Types of Livestock-Breeding Products

	Average Selling Price to Procurement Organizations, thous. rubles per t (not counting subsidies)					
	January	March	June	September	November	December
Livestock and poultry (in live weight)	2,222	2,711	3,223	3,647	3,749	
Milk	567	751	708	758	863	921
Eggs, thous. pcs	234	3,238	234	243	309	339

In December 1995, prices for livestock and poultry rose by 18-20 percent in Perm, Chita, Kemerovo and a few other oblasts, and by 39-82 percent in Khabarovsk and Maritime krays and the republics of Karachevo-Cherkessia and Tyva. At the same time, a 12-15-percent drop in prices was observed in Krasnodar Kray and Sakhalin Oblast. The price differentiation by individual regions was a factor of 5: from R2.2 million per tonne in Ulyanovsk Oblast to R11.3 million in Khabarovsk Kray.

There was a considerable rise in milk prices (by 40-53 percent) in the republics of Altay and Khakassia, Maritime Kray and Ulyanovsk and Chelyabinsk oblasts. The gap between the maximum and minimum price was a factor of 11.

Prices for eggs increased in all the economic regions. The price spread was a factor of 8: from R119,000 per thousand pieces in the Republic of North Ossetia-Alatsia to R992,000 in Sakhalin Oblast.

Prices in capital construction rose by 6 percent in December, as compared with November, including a 7-percent rise for construction and installation work, and since the beginning of 1995 have risen by a factor of 2.5-2.4 respectively.

Prices for materials, parts and structures purchased by the construction organizations rose by 5 percent in December, and in the period since the beginning of the year have risen by a factor of 2.8.

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Data Characterizing the Price Indexes for Basic Materials Purchased by Construction Organizations

	In % of preceding month		On the average for the month, %					
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	December 1995 in % of December 1994	Reference: December 1994 in % of December 1993
Ceramic brick	103	103	108	111	106	103	223	1,330
Cement	104	105	110	113	109	107	300	551
Ribbed roofing and covering tiles	105	104	107	107	108	106	220	
Commercial concrete	106	106	109	109	110	107	272	
Commercial mortar	106	108	111	110	109	106	278	
Crushed stone	106	109	109	111	109	107	314	
Sand	107	102	111	115	108	104	193	
Glazed ceramic tiles	105	104	116	112	112	105	350	420
Linoleum	101	108	117	116	107	104	343	680
Window glass, 3-4 mm thick	111	108	114	112	110	110	353	560

The Correlation of Purchasing Prices for Basic Building Materials With the Price for Ceramic Brick (in percent)

January	March	June	September	November	December	
Ceramic brick	100	100	100	100	100	100
Cement	42	35	39	32	33	37
Ribbed roofing and covering tiles	39	32	31	25	24	26
Commercial concrete	52	48	47	40	42	44
Commercial mortar	41	37	38	32	31	35
Crushed rock	11	10	11	9	9	10
Sand	6.2	7.0	8.2	6.7	6.7	5.2
Steel structures from KM designs	672	570	540	458	485	521

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In December, just as in the preceding months of 1995, a considerable differentiation was maintained in the prices for the basic building materials between individual regions of Russia. The range of prices for commercial concrete was from R194,000 per cubic meter in Belgorod Oblast to R996,000 in Sakhalin Oblast, with the average price for Russia being R319,000, and for ceramic brick — from R350,000 per thousand pieces of standard brick in the Republic of Chuvashia to R2.7 million in Maritime Kray, with the average Russian price being R724,000. The highest price for purchased cement was in Kamchatka Oblast — R1.1 million per tonne, and the lowest — in Lipetsk Oblast — R141,000.

The proportion of transport costs in the purchasing price of building materials in December was 11.6 percent, and remained at the level of the preceding month. The greatest proportion of the transport expenditures was established in the price of crushed rock and sand (35 percent and 23 percent respectively), and the smallest — in the price of ceramic facing tiles (7.6 percent) and commercial concrete (6.8 percent).

Data Characterizing the Dynamics of the Rates for Freight Transport in 1995

	In % of preceding month		On the average for the month, %					
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	December 1995 in % of December 1994	Reference: December 1994 in % of December 1993
Freight transport	100.8	99.7	116	111	104	101	254	349
incl:								
railroad	100	100	117	111	102	100	240	397
pipeline	100	96	119	114	110	101	378	313
motor vehicle	106	101	116	110	105	106	288	300
air	103	107	110	110	105	103	224	321

In the course of 1995, the rates for freight transport rose to a lesser extent than in the same period of 1994 (by a factor of 2.5 and 3.5 respectively). The rise in the rates for conveying freight by different forms of transport was identical. For example, the state-regulated rates for freight transported by rail for January-December 1995, increased by a factor of 2.4, and moreover in the last three months their level remained virtually unchanged. The rates for motor vehicle freight transport rose by a factor of 2.9, and for pipeline transport —by a factor of 3.8.

***Russia: Report on Socioeconomic Situation as of 15 January**

964E0524B Moscow DELOVOY MIR in Russian 24 Jan 96 p 5

[Survey from RF Goskomstat data: "The Socio-Economic Situation on 15 January"]

[FBIS Translated Text] **Prices for Consumer Goods and Services.** In the period from 10-15 January:

The consumer price index was 100.9 percent;

The rise in rates for paid services for the population outstripped the change in prices for food products and non-food consumer items;

The average cost of the basket of 19 basic food products, calculated for the month, was 237,300 rubles [R], which is 1.1 percent higher than the preceding price-recording.

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The Consumer Price Index

In percent

	Compared with the preceding price-recording date			Average daily rise in prices	
	31 Dec 1995	9 Jan 1996	15 Jan 1996	January 1996	December 1995
Consumer price index	100.6	101.1	100.9	0.14	0.10
incl. for:					
food products	100.9	101.0	100.9	0.12	0.11
of them: not counting fruit, vegetable products	100.7	100.7	100.6	0.08	0.08
non-food consumer items	100.4	100.6	100.6	0.08	0.10
paid services for the population	100.2	103.1	101.8	0.32	0.09

The greatest rise in prices for consumer goods and services in the period from 10-15 January was recorded in the cities of the Volga region (by 2.2 percent). Consumer prices changed least (by 0.4 percent) in the cities of the Northwestern region.

From the beginning of the month, the consumer price index was 102.1 percent, including 101.9 percent for food products, 101.2 percent for non-food consumer items and 104.9 percent for paid services for the population.

Food products.

The Dynamics of Prices for the Basic Food Product Groups

	In % of preceding price-recording date		
	31 Dec	9 Jan	15 Jan
All food products	100.9	101.0	100.9
incl:			
meat and meat products	100.6	100.5	100.5
fish and fish products	100.8	100.9	100.8
edible fats	100.6	100.5	100.5
milk and dairy products	100.8	101.4	100.7
eggs	100.7	102.1	101.7
flour	100.3	100.4	100.5
bread and bread products	101.0	101.1	100.6
macaroni-cereal products	100.8	100.8	100.7
alcoholic beverages	100.6	100.6	100.9
fruits/ vegetable products, incl. potatoes	102.5	103.5	103.2

In the period from 10 to 15 January of this year, the growth rates of prices for food products were somewhat higher than those for non-food consumer items. The greatest rise in prices was recorded for fresh cabbage — by 3.8 percent, root plants, potatoes and apples — by 2.6-3.5 percent, and eggs — by 1.7 percent. Prices for vegetable oil and sugar remained virtually unchanged in the first half of January.

The cost of the basket of the 19 basic food products, on the average for Russia, according to conditions on 15 January of this year, was R237,300, calculated for the month, and increased by 1.1 percent as compared with the preceding recording. The maximum cost of the

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basket was retained in the cities of the Far East, and the minimum — in the cities of the Volga and Central Chernozem regions. The differentiation between the maximum and minimum cost of the basket in Russia's territorial centers was a factor of 4. At the same time, the gap in the cost of the basket between the cities of the European part of Russia was a factor of 2.3, and between the cities of Siberia and the Far East — a factor of 2.7. In one-third of the territorial centers of Russia, the cost of the basket in the period from 10 to 15 January hardly increased. At the same time, in Cheboksary, the basket was 5.3 percent more expensive, and in Bryansk, Astrakhan and Volgograd — 3-3.7 percent more.

Non-Food Commodity Items.

The Dynamics of Prices for the Basic Groups of Non-Food Consumer Items

	In % of preceding price-recording date		
	31 Dec	9 Jan	15 Jan
All non-food commodity items	100.4	100.6	100.6
incl:			
fabrics	100.5	100.8	100.6
clothing and underwear	100.5	100.7	100.8
footwear	100.4	100.5	100.5
tobacco items	100.2	100.3	100.1
medicines and bandaging materials	100.8	100.6	100.8
fuel	100.0	101.1	101.1
motor vehicle gasoline	100.0	100.4	100.1
carpets and carpet items	100.3	100.4	100.5
radio/ television items	100.4	100.4	100.6

In the period from 10 to 15 January, prices for newspaper publications rose most noticeably — by 2.5 percent (the rise in prices for them since the beginning of the month was maximal and was almost 8 percent), plates and dishes — by 1.2-1.4 percent, fuel for the population — by 1.1 percent. Prices for gasoline and tobacco items remained virtually unchanged in January (by 0.2-0.4 percent).

Paid Services for the Population.

The Dynamics of Rates for the Basic Groups of Paid Services

	In % of preceding price-recording date		
	31 Dec	9 Jan	15 Jan
All paid services for the population	100.2	103.1	101.8
incl:			
everyday	100.4	101.0	100.9
passenger transport	100.1	102.5	101.5
communications	100.7	103.4	101.4
housing-municipal	100.0	103.7	102.7
children's pre-school institutions	100.1	103.7	101.0
public health	100.2	101.3	101.1

In the period from 10 to 15 January, rates for housing and municipal services rose to the greatest extent (by 2.7 percent), including by 5.8 percent for rent in available municipal housing, and by 3.2-3.7 percent for heating, water supply and sewage fees.

Travel on a municipal motorbus and trolleybus rose in price by 2.6-2.7 percent, and the fee for use of home telephones — by 1.8 percent. Rates for postal and telegraph communications services, tourist service and banking institution services remained virtually unchanged.

Rates for paid services for the population in the period from 10 to 15 January increased the most in the Volga region (by 8.0 percent).

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Consumer Price Index by Economic Regions of Russia on 15 January 1996 (in percent of preceding price-recording date)

Regions	Consumer price index	including:		
		food products	non-food consumer items	paid services for the population
On the whole for Russia	100.9	100.9	100.6	101.8
incl:				
Northern	100.8	100.8	100.5	101.0
Northwestern	100.4	100.7	101.0	98.1
Central	100.6	100.7	100.5	100.7
Volga-Vyatka	101.2	101.4	100.7	101.5
Central Chernozem	101.2	101.4	100.8	101.3
Volga	102.2	101.4	100.9	108.0
North Caucasus	100.8	100.7	100.5	101.9
Urals	100.9	101.1	100.6	101.0
West Siberian	101.1	100.9	100.9	102.6
East Siberian	100.6	100.7	100.5	100.4
Far Eastern	101.0	100.7	100.8	102.7

List of Russian Cities With Maximum and Minimum Cost of Basket of 19 Basic Food Products* (according to conditions on 15 January)

	Cost of basket of 19 basic food products, calculated for the month, thous. rubles	Change in cost of basket from 1 to 15 January, in %
Cities with maximum cost of basket		
Yakutsk	529.4	101
Magadan	485.3	101
Petropavlovsk-Kamchatskiy	451.4	101
Yuzhno-Sakhalinsk	404.3	102
Vladivostok	381.8	100
Khabarovsk	338.2	100
Chita	318.0	100
Murmansk	311.7	102
Arkhangelsk	309.9	101
Syktyvkar	309.0	102
Cities with minimum cost of basket		
Izhevsk	190.2	100
Saransk	188.7	100
Rostov-on-Don	187.7	101
Penza	186.5	102
Yoshkar-Ope	185.1	100
Tambov	181.7	101
Orel	181.0	100
Kazan	169.2	100
Belgorod	166.0	102
Ulyanovsk	133.7	100

*Capitals of republics included in Russian Federation, oblast and kray centers

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The cost of the basket of the 19 basic food products in Moscow was R280,700 (101 percent) and in St. Petersburg — R227,500 (101 percent).

Enterprise Prices. The rise in producer prices for industrial goods in December 1995 was 2 percent, which is the minimum monthly amount for the period of carrying out reforms (in December 1994 — 13 percent). At the same time, the rise in prices for industrial goods for the month was less than the rise in prices for consumer goods (3.2 percent).

The Change in Prices in Individual Sectors of Industry in the Course of 1995

	In % of preceding month		On average for the month, %				
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	December 1995 in % of December 1994
Electric power	100	100	112	115	110	101	299
Fuel	103	100	120	109	105	103	287
Ferrous metallurgy	103	102	117	110	108	103	285
Non-ferrous metallurgy	99	102	117	107	103	102	221
Chemical and petrochemical	102	102	116	112	105	102	267
Machine-building	104	102	116	110	106	104	278
Timber, woodworking and pulp and paper	102	104	117	110	105	103	274
Building materials industry	104	103	113	111	107	104	271
Light	104	103	114	110	106	104	263
Food	102	102	116	107	107	103	256

In January-December 1995, the change in prices for industrial products, classified by broad economic categories, occurred with a varying degree of intensity.

On the whole, prices for producer goods rose to a greater extent than those for other groups of industrial products:

The Change in Prices in Industrial Products

	In % of preceding month		On average for the month, %				
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	December 1995 in % of December 1994
Industry	103	102	117	110	107	103	275

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	In % of preceding month		On average for the month, %				
incl.:							
producer goods	104	103	117	111	107	105	311
intermediate goods	102	101	117	111	107	102	280
consumer goods	103	102	115	106	106	103	332

In December 1995, prices for products of the **fuel and energy sector of industry** remained virtually unchanged. In the 12 months of 1995, prices for the products of these sectors increased by larger amounts (by a factor of 2.9) than on the average for industry, because of the accelerated rise in prices for oil-refining products (by a factor of 3).

The Level and Dynamics of the Average Producer Prices for Individual Types of Energy Resources in 1995

	Average price (at end of month), thous. rubles/t				Reference: correlation of average producer prices with oil prices, %		
	January	November	December	December 1995 in % of December 1994	January	November	December
Oil	122	282	282	282	100	100	100
Motor vehicle gasoline	352	759	756	302	289	269	268
Diesel fuel	315	635	640	294	259	225	227
Residual fuel oil	158	281	284	282	130	100	101
Coal, power	39	75	71	278	32	27	25
Coal for coking	74	119	120	261	61	42	43
Natural gas per thous. cub. m	6.9	17.2	17.6	263	6	6	6
Electric power per thous. kW-hrs	70	163	163	286	57	58	58

In the sectors of the fuel-energy complex, the growth rates of prices came noticeably close together by the end of 1995.

In **ferrous metallurgy** the rise in prices in December was 1.5 percent, and was less than in the preceding months of 1995. In the course of the month, prices for electric steel, beams and channel iron, wire, galvanized sheet steel and a number of other types of products remained unchanged. Producer prices for pig iron, merchant shapes and steel pipes rose an average of 2 percent. On the whole for the year, the growth rates of prices for the basic types of products in the sector differed noticeably — iron ore pellets and iron ore concentrate rose in price by a factor of 1.8-2, ferrosilicon and coke — a factor of 2.1-2.4, railroad rails, beams and channel irons, and galvanized sheet steel — a factor of 3.6-4.

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In December 1995, the relatively low growth rates of prices in the **chemical and petrochemical industry** were retained in the 4th quarter, and were 1.6 percent for the month. Prices for liquid ammonia, soda ash, synthetic fibers, motion-picture film and certain other products remained unchanged. On the whole for 1995, in the sector, prices for motion-picture film, sulfur, apatite concentrate, caustic soda and soda ash rose least of all — by a factor of 1.5-2.2, and rose most of all for mineral fertilizers, caprolactam, motor vehicle tires, and paint and varnish materials — by a factor of 2.9-3.

In **machine building,** in December 1995 the rise in prices did not exceed the increase in prices for industry as a whole, and constituted 2 percent. Prices for diesel building and railroad machine building rose by slightly more than the average for the sector — by 4-5 percent. The dynamics of prices in the machine-building subsectors did not develop uniformly in the course of the year, and in many ways depended on the degree of structural reorganization of production.

The rise in prices for products of the **building materials industry** in December was less than in the preceding months, and was 3 percent. The growth rates of prices for the sector's products, according to the results of the year, were virtually at the level formed as a whole for industrial production. Prices for items in the soft roofing materials industry rose considerably more (by a factor of 3.2), as well as in the cement industry and limestone, gypsum and binding materials industry (by a factor of 2.9).

In **light industry,** prices rose by 3 percent in December, and since the beginning of the year — by a factor of 2.6, and were in many ways determined by the demand limitations on the sector's output, stemming from the stiff competition on the market from imported goods.

In 1995, the greatest rise in price was in the production of natural wool and woolen fabrics, tulle-curtain items and Russian leather goods — by a factor of 3.1-4, and in the production of some types of children's goods: suits, trousers, coats and short coats — by a factor of 3.5-3.7.

In the **food industry,** the growth rates of prices in December 1995 remained at the November level, and were the lowest during the year — 2 percent. In the 12 months, the rise in prices in the food industry (by a factor of 2.6) was also less than in other sectors producing consumer goods. At the same time, the change in prices in various subsectors of the food industry this year was dissimilar. With relatively moderate growth rates of prices in the sugar, confectionery, winemaking and oil and fat industry (by a factor of 1.9-2.2), as well as in the dairy, oil-and-cheese making industry and fish industry (by a factor of 2.3), high growth rates were observed for the prices of the hulling and milling, alcohol and bakery industries (by a factor of 3.3-3.7).

Throughout 1995, changes occurred in the ratios of domestic prices to world market prices.

Correlation of Domestic Prices for Material-Technical Resources Purchased by Enterprises and World Market Price (In percent)

	December 1994	March	June	September	November
Oil	30	39	52	64	65
Motor vehicle gasoline	79	106	148	181	192
Merchant-shape construction steel	78	78	104	172	183
Aluminum, primary, incl. alumin	58	71	95	103	110
Nickel	57	88	90	100	121
Propylene	65	55	92	97	167
Timber	20	25	27	37	74
Wool, natural	10	16	26	37	41
Oil, vegetable	100	92	103	141	125

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Data Characterizing the Dynamics of the Tariffs for Freight Conveyance by All Types of Transport in 1995

	In % of preceding month		On the average for the month, %				
	November	December	1st quarter	2d quarter	3d quarter	4th quarter	December 1995 in % of December 1994
Freight transport	100.8	99.7	116	111	104	101	254
railroad	100	100	117	111	102	100.1	240
pipeline	100	96	119	114	110	101	378
motor vehicle	106	101	116	110	105	106	288
air	103	107	110	110	105	103	224

In 1995, the tariffs for freight transport rose to a lesser extent than in 1994 (by a factor of 2.5 and 3.5 respectively), mainly by virtue of the slowdown in the growth rates of tariffs for railroad freight transport.

***Russia: Economic Crimes Continue To Rise**

964E0591A Moscow EKONOMIKA I ZHIZN in Russian Feb 96 No 5, p 34

[Article by V. Zakalyuzhnyy: "Economic Crime Is Still on the Rise"]

[FBIS Translated Text] *The first results of the fight against economic crime last year have been summarized in the Main Economic Crime Directorate of the Russian Ministry of Internal Affairs. An analysis of the present state of economic crime in Russia indicates that the negative tendencies are growing stronger.*

To a considerable extent, this is a result of property reform. At this time, **tax agencies have almost 2.5 million legal entities on file,** and most of them came into existence in the last few years. The proportional number of state and municipal enterprises has decreased to 7 percent. Almost one out of every six enterprises or institutions is located in Moscow.

Furthermore, these data are not static. Hundreds of thousands of legal entities of varying property status are formed and liquidated each year. The Moscow Registration Chamber alone registers from 6,000 to 7,000 each month. Many of them have the same names and list the legal addresses of other organizations. Many addresses are used by hundreds or even thousands of registered organizations and enterprises, especially in Moscow.

Around half of the legal entities can be categorized as small businesses. According to experts, however, the normal functioning of the economy would require several times as many of these enterprises.

The number of economic entities engaged in illegal business activities is not decreasing. The practice of using fake firms or firms registered under false names has become much more common. These are the names of unsuspecting citizens who have lost their identification papers, and sometimes even of deceased individuals. There are still no criminal penalties, however, for phony businesses, fictitious bankruptcies, and other socially dangerous practices in a market economy.

The number of independent businessmen is rising constantly: 2 million are registered officially with tax agencies.

More and more legal entities are now active on the interregional level and even the international level. Citizens engaged in the "shuttle" trade handle large volumes of goods and cover a broad geographic range, which now includes many countries of the near and far abroad.

The efforts to reform the economy without establishing the proper mechanisms of control and protection from unlawful infringements created favorable conditions for the rapid spread of economic crime. Significant qualitative changes have been recorded in connection with the rise in the most dangerous offenses, the use of new methods of committing crimes, and the mounting corruption in government agencies.

Some sectors of the economy are still inclined to operate according to unauthorized principles. The result is the

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redistribution of financial resources in favor of the shadow economy.

The increased presence of capital of criminal origins in the economy is increasing the number of financial, economic, and bureaucratic crimes. In turn, the growth of criminal income has been accompanied by a rise in other property crimes and violent felonies. The reasons for many of these are fights between criminal gangs and criminals over channels of illegal gains, the establishment and division of spheres of influence, the redistribution of illegally acquired income and property, the elimination of rivals, etc.

As international ties grow more extensive, and as the country enters the world economic system, the number of foreign citizens and stateless individuals in Russia will continue to rise. Because of the transparency of our borders and several other factors, there are many foreigners in the country who arrived illegally or as tourists. Most of them are involved in some kind of illegal business.

As a result of measures taken in 1995 to protect the country's economic interests and honest businessmen from criminal infringements, 211,800 economic crimes were solved, including 139,800—or 12.5 percent more—by the criminal police. Serious felonies (53,300) increased by one-fourth. The number of crimes involving large and particularly large amounts of money increased by 66 percent.

Patterns of Economic Crime in Russia in 1993-1995

Categories	1993	1994	1995
All recorded crimes (in thousands)	165.0	181.0	211.8
Crimes under criminal police jurisdiction (mandatory investigation)	110.4	124.2	139.8
Serious felonies	23.3	42.9	53.3
Thefts	60.3	61.6	76.0
grand theft	10.7	9.5	13.4
misappropriation	37.3	34.9	35.5
Crimes by officials	15.3	16.5	14.2
bribery	4.5	4.9	4.9

In spite of the clearly inadequate legislative foundation for the fight against economic crime under the new conditions, shortages in material and technical supplies, and a high rate of personnel turnover, the number of crimes solved in 1995 was 1.5 times as high as in 1991, and the number of serious felonies solved was almost five times as high. This clearly confirms that we do have an economic crime prevention service and that it is working, despite all difficulties, and waging an active struggle to perform its duties. The romantic ideas that the market economy would put everything in order, and that there would be no need for the future existence of this service, proved to be completely groundless.

Around 76,000 thefts requiring pre-trial investigations were recorded in the sphere of financial and economic operations. The number rose by almost one-fourth, and there was a 1.4-fold increase in cases of grand theft (13,400).

There have been significant changes in the structure of reported thefts. Around half are committed by means of the misappropriation of property in trust—35,500, or around the same number as last year. Meanwhile, incidents of fraud increased 1.7-fold (24,400), and cases of grand fraud increased 2.4-fold (7,500). The rapid rise in the number of incidents of fraud can be judged from the almost total lack of recorded crimes of this type in 1991.

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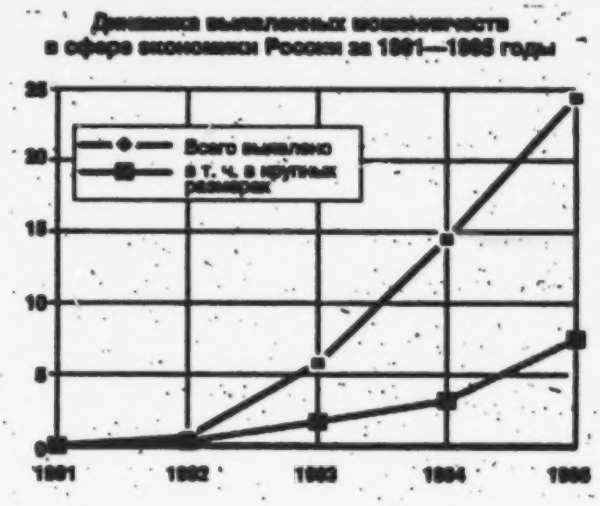
Dynamics of Reported Cases of Fraud in Russian Economy in 1991-95



Key: Top line, TOTAL, Bottom line, GRAND FRAUD

In spite of the dramatic reduction of the state sector, **14,200 bureaucratic crimes were reported** in the economic sphere, and **almost one out of every three was an incident of bribery.**

Undercover teams made a more concerted effort to stop illegal transactions with forex assets, contraband, consumer fraud, and several other types of unlawful activity.

The final results of the fight against crime in the main branches of the economy are not known yet, but an analysis of available information suggests the following.

Crime is on the rise in all spheres of economic activity, but **the credit and finance sphere is still one of the areas with the highest crime rate.** In spite of the measures that have been taken, the rate in this sphere is not declining. The number of reported crimes rises each year, and the most dramatic rise has been recorded in the banking, insurance, and pension systems. One of the main reasons is the absence of laws to control the movement of capital and of criminal penalties for the laundering of illegal income. The bills that have been drafted by the personnel of the Russian Ministry of Internal Affairs have not been passed yet.

Thefts of money with the aid of false payment documents and, most recently, fraudulent bank guarantees, the illegal acquisition and improper use of preferential credits, the unregulated transfers of capital to the shadow economy and overseas banks, currency speculation in the market, the "laundering" of criminal proceeds, and the offer of bribes to expedite the extension of credits, the issuance of cash, the opening of settlement accounts, the processing of financial documents, and so forth, have all become common practices. Furthermore, the amounts of stolen money are increasingly likely to be measured in billions of rubles.

Operations are being conducted to investigate the criminal activities of various commercial structures which do not have the proper licenses and which have misappropriated money from citizens and legal entities on the pretext of lucrative deposits, investments in various projects, and the offer of trust and other fiduciary services.

The scales of fraud involving the collection and misappropriation of money extend to other branches as well. The most diverse methods and ruses are employed in these cases. The most common are confidence games connected with travel packages, motor vehicles and other commodities, overseas job placement services, driver's training and driver's license fees, etc.

The Russian budget is losing sizable amounts of income as a result of illegal operations in the sphere of monetary circulation, and these numbers are also still on the rise.

In 1995 criminal penalties were imposed for 13,400 illegal transactions with forex assets. The figure was 42.7 percent higher than it had been last year and 13

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times as high as it had been in 1991. The number of these transactions involving particularly large sums of money (1,200) was almost nine times as high.

During the operations to stop illegal transactions with forex assets, 337 kilograms of gold, 85 kilograms of platinum, almost 391 kilograms of silver, 1,732,910 carats of precious stones, 116.5 kilograms of uncut emeralds, around 6 million U.S. dollars, and other forex assets worth close to 96 billion rubles were seized from the offenders.

Internal affairs agencies took steps to restore order in the market for so-called soft currencies and to investigate non-bank foreign currency exchange centers. More than 3,000 of these centers in 70 regions were investigated. As a result, 55 illegal centers were closed, and criminal proceedings were instituted against the individuals conducting forex operations there. Another 123 centers were closed for various violations, and fines totaling 234 million rubles were levied on the perpetrators.

Precious metals and stones are increasingly likely to be the object of criminal offenses. Whole kilograms of these have been confiscated.

Counterfeiting is jeopardizing state interests in the sphere of monetary circulation. The measures that were taken stopped the rise in the sale of counterfeit money. There were 9,900 recorded cases of the engraving and sale of counterfeit money and securities. Preventive measures stopped the circulation of counterfeit national currency, foreign currency, and state securities amounting to an estimated 4 billion rubles. More than 43,000 counterfeit Bank of Russia bills and around 6,000 counterfeit foreign bills were taken out of circulation.

Losses resulting from the unlawful export of nonferrous and rare-earth metals, petroleum products, timber, and other strategic materials and crude resources are still sizable.

The measures that were taken by law enforcement agencies enhanced the effectiveness of the fight against crime in this sphere. Criminal proceedings were instituted in more than 2,700 cases of contraband and customs violations in 1995. This was almost twice as high as the figure for the previous year. The number of these crimes involving particularly large amounts was five times as high.

According to available data, 14,200 crimes connected with strategic materials and resources, or almost twice as many, were reported: 9,700 of these connected with metals, 2,600 with oil and petroleum products, and 1,800 with timber. The estimated losses in just the completed proceedings exceeded 128 billion rubles.

A whole network of middlemen, including foreign commercial structures, has taken shape around the extraction and export of crude resources. These structures can sell the resources abroad without any restrictions and then conceal the foreign currency receipts in the accounts of dummy firms in foreign banks.

The process of privatization has been accompanied by serious cases of malfeasance. The combination of the activities of organized crime gangs and the corruption in government agencies in this sphere has led to numerous cases of the understatement of the book value of facilities slated for privatization, collusion in the unfair division of property and the reduction of enterprise prices, deliberate violations of the procedure for organizing competitive bidding sessions and auctions, and the offer of certain facilities for sale or for lease with a buyout option in spite of the fact that their privatization is prohibited by law. Over 1,000 crimes connected with privatization were reported in 1995, and the overwhelming majority were economic crimes.

Incidents of corruption have been recorded primarily in the territorial property committees and property funds responsible for the implementation of the privatization program. Officials of these agencies in Moscow and St. Petersburg and in Moscow, Orel, and Sverdlovsk oblasts and several other regions have been prosecuted in criminal courts for taking bribes and committing other abuses.

Bribes are commonly taken for the right to lease and sublease available space in state and municipal buildings.

An audit of the Moscow Property Committee turned up violations of privatization laws in the sale and transfer of non-residential premises without holding any auctions or accepting competitive bids. In several cases the files were turned over to the Russian Procuracy General for a decision.

Crime is on the rise in the consumer market. One out of every three reported crimes can actually be relegated to this sphere.

Inferior goods and foods and uncertified alcoholic beverages are still an acute problem. According to the Russian State Committee for Statistics, the number of deaths just from accidental alcohol poisoning was 45,400 in 1993 and 55,500 in 1994 (16,100 in 1990). The number in 1995 is expected to be approximately the same as in 1994.

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According to available data, internal affairs agencies closed down more than 1,700 underground distilleries. The total amount of alcohol and artificial substitutes seized in these operations exceeds 600,000 decaliters.

In addition, there were more than 1,200 reported cases of the production and sale of unsafe goods, over 31,300 incidents of consumer fraud, overcharging, and overweighing (almost twice as many as in 1994), more than 4,800 cases of illegal business in the trade sphere (11.9 percent), and tens of thousands of cases of theft. The value of the goods which were unfit for sale and were confiscated from merchants amounts to tens of billions of rubles.

Various types of fraud are common in the consumer market and in consumer goods production. Whereas they were once connected primarily with the misappropriation of advance payments for goods, now there are more cases of the theft of goods obtained from wholesale-retail firms and industrial enterprises on the strength of fraudulent documents.

The crime rate is still high in the agroindustrial complex, where almost 18,000 economic crimes were recorded in the past year.

The situation in this sphere was stabilized somewhat by the comprehensive sweeps conducted by internal affairs agencies in conjunction with other law enforcement agencies: the "Fishing" (to stop illegal sales of fish and sea food) and "Harvest" (to preserve agricultural produce during harvesting, storage, shipment, and processing) operations. The effectiveness of these operations can be judged by their results. In Operation "Fishing-95," for example, internal affairs agencies working with subunits of the Federal Border Service and other concerned organizations apprehended and indicted more than 67,000 offenders. More than 11 tonnes of sturgeon caviar, around 10 tonnes of salmon caviar, and more than 900 tonnes of fish, including over 120 tonnes of sturgeon, were taken out of illegal circulation, and 37,000 pieces of the poachers' fishing gear, 22,000 nets, and 968 boats were seized in this operation. Administrative fines were levied in excess of 4.3 billion rubles, and suits were filed for 5.1 billion rubles.

These statistics are only a partial indicator of current changes in the efforts to counter economic crime. The factors contributing to crime in the main spheres of economic activity are still being analyzed, and the results will be published later.

There is already reason to believe, however, that **economic crime, the speed with which it is spreading, and its scales have become a factor jeopardizing national security and ethical business in our country.** A more effective fight against economic crime will require immediate measures to lay the proper legal foundation, the institution of criminal penalties for particularly dangerous practices in the market economy, the reinforcement of material and technical support, primarily for the undercover services and investigative personnel of law enforcement agencies, and the establishment of stronger social and legal protection for their personnel.

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